This circular is important and requires your immediate attention.

The definitions and interpretations commencing on page 7 of the circular apply mutatis mutandis to this cover

If you are in any doubt as to what action you should take arising from this circular, please consult your CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

Action required

If you have disposed of all of your shares in AfroCentric, please forward this circular to the purchaser of such shares or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

AfroCentric ordinary shareholders are referred to page 1 of this circular, which sets out the action required by them.

As at the date of issue of this circular, the share capital of AfroCentric comprises 94 000 000 ordinary shares and 16 638 000 preference shares.

AFROCENTRIC
INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1988/000570/06)
JSE Codes: ACT, ACTP ISIN: ZAE000078416, ZAE000082269
("AfroCentric" or "the Company")

Circular to AfroCentric shareholders

regarding

- **the proposed acquisition by AfroCentric of a 34.9% interest in Jasco Electronics Holdings Limited; and**
- **the subscription for 40 000 Iningi preference shares in Iningi Investments 180 (Proprietary) Limited;**

and incorporating

- **a notice convening a general meeting of AfroCentric ordinary shareholders *(blue)*;**
- **a form of proxy in respect of the general meeting of AfroCentric ordinary shareholders (for use by certificated AfroCentric ordinary shareholders and own-name dematerialised AfroCentric ordinary shareholders only) *(yellow)*; and**
- **Revised Listing Particulars.**

Date of issue: 9 May 2008

Investment bank and transaction sponsor to AfroCentric

NEDBANK CAPITAL

Legal advisers to AfroCentric

H R LEVIN
Attorneys, Notaries and Conveyancers

Independent reporting accountants to AfroCentric and independent reporting accountants for the MTec acquisition

ERNST & YOUNG
Chartered Accountants (SA)
(Registered Accountants and Auditors)

Sponsor to AfroCentric

sasfin CAPITAL

Auditors to AfroCentric

SizweNtsaluba VSP
est.1985

Legal advisers to CIH/Malesela

Rothbart Inc.

Corporate advisers to CIH/Malesela

SINERGI

Corporate adviser and sponsor to Jasco

PSG CAPITAL

Legal advisers to Jasco

Rossouws
Attorneys, Notaries and Conveyancers
Prokureurs, Notarisse en Aktevervaardigers

Auditors to MTec

JCB Incorporated

ACTION REQUIRED BY AFROCENTRIC ORDINARY SHAREHOLDERS

The definitions commencing on page 7 of this circular apply *mutatis mutandis* to the following section on action required by AfroCentric ordinary shareholders:

Please take careful note of the following provisions regarding the action required by AfroCentric ordinary shareholders:

1. If you have disposed of all of your AfroCentric ordinary shares, this circular should be handed to the purchaser of such ordinary shares or the CSDP, broker, banker, attorney or other agent who disposed of your AfroCentric ordinary shares for you.

2. If you are in any doubt as to what action to take, consult your broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

3. This circular contains information relating to the Transactions. You should carefully read through this circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.

4. The general meeting, convened in terms of the notice incorporated in this circular, will be held at The Auditorium, Ground Floor, 76 Maude Street (corner West Street), Sandton on Monday, 26 May 2008, commencing at 10:00.

5. **If you have dematerialised your AfroCentric ordinary shares**

   5.1 **Own-name registration**

   You are entitled to attend in person, or be represented by proxy, at the general meeting.

   If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (yellow), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on on Thursday, 22 May 2008.

   5.2 **Other than own-name registration**

   You are entitled to attend, or be represented by proxy, at the general meeting. You must **not** however, complete the attached form of proxy. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the general meeting.

   If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

   If you do wish to attend or be represented at the general meeting, your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the general meeting.

6. **If you hold certificated AfroCentric ordinary shares**

   6.1 You are entitled to attend, or be represented by proxy, at the general meeting.

   6.2 If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (yellow), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Thursday, 22 May 2008.

CORPORATE INFORMATION AND ADVISERS

The definitions and interpretations commencing on page 7 of this circular apply *mutatis mutandis* to the following corporate information and advisers.

Secretary and registered office of AfroCentric

M I Sacks, CA(SA), AICPA (ISR)
PKF (Jhb) Inc.
(Registration number 1994/001166/21)
41 Wierda Road West
Wierda Valley
Sandton, 2196
(Private Bag X34, Benmore, 2010)

Investment bank and transaction sponsor to AfroCentric

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Independent reporting accountants to AfroCentric and independent reporting accountants for the MTec acquisition

Ernst & Young Inc.
(Registration Number 2005/002308/21)
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X14, Northlands, 2116)

Transfer secretaries to AfroCentric

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/06)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Corporate advisers to CIH/Malesela

Sinergi Corporate Advisors (Proprietary) Limited
(Registration number 2004/011875/07)
1st Floor, Unit 5
299 Pendoring Street
Blackheath Ext. 6, 2195
(PO Box 44470, Linden, 2104)

Secretary and registered office of Jasco

M W Lekhesa
(Registration number 1987/003293/06)
Woodmead Office Park
8 Saddle Drive
Woodmead, 2157
(PO Box 860, Wendywood, 2144)

Legal advisers to AfroCentric

HR Levin
(Practise number M2841)
Attorneys Notaries and Conveyancers
Kentgate, 64 Kent Road
Corner Oxford Road
Dunkeld, 2196
(PO Box 52235, Saxonwold, 2132)

Auditors to AfroCentric

SizweNtsaluba VSP
(Registration number 2002/021048/07)
20 Morris Street
Woodmead
Sandton, 2192
(PO Box 2939, Saxonwold, 2132)

Sponsor to AfroCentric

Sasfin Capital
A division of Sasfin Bank Limited
(Registration number 1951/002280/06)
13 – 15 Scott Street
Waverley, 2090
(PO Box 95104, Grant Park, 2051)

Legal advisers to CIH/Malesela

Rothbart Inc
(Registration number 1995/001105/21)
118 Ivy Road
Norwood
Johannesburg, 2192
(PO Box 95246, Grant Park, 2051)

Corporate adviser and sponsor to Jasco

PSG Capital (Proprietary) Limited
(Registration number 2006/015817/07)
Building 8
Woodmead Estate,
1 Woodmead Drive
Woodmead, 2198
(PO Box 987, Parklands, 2121)

Auditors to MTec

JCB Incorporated
(Registration number 1999/022536/21)
No. 1 Orwell Park
2 Orwell Drive
Three Rivers
(PO Box 265397, Three Rivers, 1935)

Legal advisers to Jasco

Rossouws, Lesie Inc.
(Registration number 1998/010029/21)
8 Sherborne Road
Parktown, 2193
(PO Box 1588, Johannesburg, 2000)

TABLE OF CONTENTS

The definitions commencing on page 7 of this circular apply to *mutatis mutandis* in this table of contents.

SALIENT DATES AND TIMES

The definitions commencing on page 7 of this circular apply *mutatis mutandis* to these salient dates and times:

	2008
Circular posted to AfroCentric ordinary shareholders on	Friday, 9 May
Forms of proxy to be received by 10:00 on	Thursday, 22 May
General meeting to be held at 10:00 on	Monday, 26 May
Results of the general meeting released on SENS on	Monday, 26 May
Results of the general meeting published in the press on	Tuesday, 27 May

Notes:

1. These dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.
2. Copies of this circular may be obtained in English only at the Company's registered office and Nedbank Capital offices during normal business hours from Friday, 9 May 2008 until Monday, 26 May 2008. Details of AfroCentric's and Nedbank Capital's addresses are set out in the "Corporate information and advisers" section of this circular.

DEFINITIONS

In this circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them, respectively, in the second column below, reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include the other genders, and an expression denoting natural persons shall include juristic persons and associations of persons:

"ACET"	the AfroCentric Empowerment Trust;
"Act" or "Companies Act"	the Companies Act, No. 61 of 1973, as amended;
"the Acquisition"	the proposed acquisition by AfroCentric of a 34.9% interest in Jasco to be settled by the AfroCentric Consideration Shares;
"the Acquisition Agreement"	the agreement dated 31 March 2008 between AfroCentric, CIH, the Inkonkoni Trust, Malesela and Jasco further to which the Acquisition and the terms thereof have been agreed;
"the Acquisition closing date"	nine business days after the date upon which the last of the conditions precedent, in paragraph 2.3 of this circular, have been fulfilled or waived, as the case may be expected to be on or before 31 May 2008;
"the Acquisition effective date"	the first day of the month following the month in which the closing date falls. Any changes to the dates and times regarding the Acquisition will be released on SENS and published in the press;
"AfroCentric" or "the Company"	AfroCentric Investment Corporation Limited (registration number 1988/000570/06), a public company registered and incorporated in South Africa and the entire issued share capital of which is listed on the JSE;
"AfroCentric Consideration Shares"	the requisite number of new AfroCentric ordinary shares to be issued in settlement of the Acquisition to be issued at a price of R2.60 (two Rand sixty cents) per new AfroCentric ordinary share as detailed in paragraph 2.2 of this circular;
"AfroCentric group"	AfroCentric and its subsidiaries from time to time;
"AfroCentric ordinary shares" or "ordinary shares"	ordinary shares with a par value of 1 cent (one cent) each in the share capital of AfroCentric;
"AfroCentric ordinary shareholders"	registered holders of AfroCentric ordinary shares from time to time;
"AfroCentric preference shares"	fully paid redeemable, participating preference shares of 1 cent (one cent) each in the share capital of AfroCentric;
"AfroCentric preference shareholders"	registered holders of AfroCentric preference shares from time to time;
"AfroCentric shares"	collectively, AfroCentric preference shares and AfroCentric ordinary shares;
"AfroCentric shareholders"	holders of AfroCentric ordinary shares and AfroCentric preference shares;
"Articles"	the articles of association of AfroCentric, as amended from time to time;
"BEE"	Black Economic Empowerment;
"Board" or "directors"	the board of directors of AfroCentric;
"business day"	a day other than a Saturday, Sunday or official public holiday in South Africa;
"certificated AfroCentric share(s)"	an AfroCentric share(s), represented by a share certificate(s) or other physical document(s) of title, which has not been surrendered for dematerialisation in terms of the requirements of Strate;

"certificated AfroCentric shareholder(s)"	an AfroCentric shareholder(s) who holds a certificated AfroCentric share(s);
"CIH"	Community Investments Holdings (Proprietary) Limited (registration number 1995/007296/07), a company incorporated in accordance with the laws of South Africa;
"circular"	this bound circular, dated Friday, 9 May 2008, including all annexures, the notice of general meeting (blue) and form of proxy (yellow) contained herein and incorporating the Revised Listing Particulars;
"the Conversion"	the redemption of the convertible preference shares held by CIH in Jasco and the subscription by CIH of Jasco ordinary shares in terms of the Tasslelane Technologies acquisition agreement, as set out in paragraph 3.2 of this circular;
"CSDP"	a Central Securities Depository Participant, appointed by individual AfroCentric shareholder(s) for the purpose of and in regard to dematerialisation in terms of the Securities Services Act, No. 36 of 2004, as amended;
"dematerialised AfroCentric share(s)"	an AfroCentric share(s) that has been incorporated into the Strate system and which is held on the Company's sub-register in electronic form in terms of the Custody and Administration of Securities Act of 1992;
"dematerialised AfroCentric shareholder(s)"	an AfroCentric shareholder(s) who holds a dematerialised AfroCentric share(s);
"document(s) of title"	a share certificate(s), transfer deed(s) or forms, balance receipts or any other document(s) of title acceptable to AfroCentric in respect of certificated AfroCentric shareholder(s);
"effective date of the Subscription"	the Subscription will be effective before 31 May 2008;
"EPS"	earnings per share;
"Ernst & Young" or "E&Y"	Ernst & Young Inc, Registered Auditors;
"general meeting"	the general meeting of AfroCentric ordinary shareholders to be held at The Auditorium, Ground Floor, 76 Maude Street (corner West Street), Sandton, on Monday, 26 May 2008 at 10:00 to consider and, if deemed appropriate, approve the resolutions necessary to give effect to the Transactions;
"HEPS"	headline earnings per share;
"Iningi"	Iningi Investments 180 (Proprietary) Limited (registeration number 2007/006169/07), a company incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Jasco;
"Iningi preference shares"	40 000 (forty thousand) fully paid-up cumulative redeemable preference shares in the share capital of Iningi with a par value of 0.1 cent (one tenth of a cent) per preference share, the terms of which are set out in Annexure 7;
"the Inkonkoni Trust"	The Inkonkoni Investment Holding Trust (IT Number IT2629/02), a trust set up by and for the benefit of Dr Anna Mokgokong and Mr Joe Madungandaba, both directors of CIH, holding 100% of the issued preference share capital in CIH;
"Jasco"	Jasco Electronics Holdings Limited (registration number 1987/003293/06), a company with limited liability duly incorporated in accordance with the company laws of South Africa, and the entire issued ordinary share capital of which is listed on the JSE;
"Jasco call option"	the right and option, granted by CIH and Malesela to AfroCentric, to acquire all or a portion of Jasco ordinary shares from CIH and Malesela as is necessary to maintain AfroCentric's 34.9% interest in Jasco following the MTec acquisition;

"Jasco group"	Jasco and its subsidiaries from time to time;
"Jasco ordinary shares"	ordinary shares with a par value of 1 cent (one cent) each in the share capital of Jasco and which are listed on the JSE;
"Jasco preference shares"	the 29 884 633 (twenty-nine million, eight hundred and eighty-four thousand, six hundred and thirty-three) redeemable preference shares with a par value of 1 cent (one cent) each in the share capital of Jasco which were issued to CIH in terms of the original Jasco empowerment transaction;
"Jasco put option"	the right and option, granted by AfroCentric to CIH and Malesela, to sell such number of Jasco ordinary shares to CIH and Malesela as is necessary to maintain AfroCentric's interest in Jasco at 34.9% following the MTec acquisition;
"Jasco shareholders"	holders of Jasco ordinary shares and Jasco preference shares from time to time;
"JSE"	JSE Limited (registration number 2005/0222939/06), a public company registered and incorporated in South Africa, licensed as an exchange under the Securities Services Act, Act 36 of 2004, as amended;
"last practicable date"	the last practicable date prior to the finalisation of the circular, being Friday, 25 April 2008;
"Listings Requirements"	the JSE Limited Listings Requirements, as amended from time to time;
"Malesela"	Malesela Holdings No. 1 (Proprietary) Limited (registration number 1998/007247/07), a company with limited liability duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of CIH;
"MTec"	Malesela Taihan Electric Cable (Proprietary) Limited (registration number 2000/007692/07), a company with limited liability duly incorporated in accordance with the laws of South Africa;
"MTec acquisition"	the acquisition by Jasco of a 34% economic interest in Mtec through the acquisition of: • a 49% interest in the ordinary shares of MTec, for a maximum consideration of R99,1 million; • the MTec call option; and • the option to acquire a further 2% of the ordinary shares in MTec for a consideration of 1 cent (one cent) per MTec ordinary share;
"MTec Acquisition Agreement"	the agreement dated 31 March 2008 between Jasco, Iningi and Malesela, and any subsequent addendums thereto, further to which the MTec acquisition and terms thereof have been agreed;
"MTec acquisition closing date"	10 (ten) business days after the date upon which the last of the MTec acquisition conditions precedent set out in paragraph 4.2 of this circular is fulfilled or waived;
"MTec acquisition effective date"	the third business day of the month following the month in which the MTec acquisition closing date falls;
"MTec call option"	the option which Malesela has to acquire 23 000 (twenty-three thousand) MTec preference shares from Taihan Electric for a purchase price of R115 000 000 (one hundred and fifteen million Rand);
"MTec call option acquisition"	the acquisition of the MTec call option by Jasco from Malesela on the MTec acquisition closing date but with effect from the MTec acquisition effective date;

"MTec ordinary shares"	ordinary shares with a par value of 1 cent (one cent) each in the capital of MTec;
"MTec ordinary shares acquisition"	the acquisition of 10 569 (ten thousand five hundred and sixty-nine) Mtec ordinary shares, which will constitute approximately 49% in number of the entire issued ordinary shares of Mtec on the Mtec acquisition closing date, by Iningi from Malesela, but with effect from the Mtec acquisition effective date;
"MTec preference shares"	convertible preference shares in the issued share capital of MTec with a par value of 1 cent (one cent) each;
"NAV"	net asset value per share;
"Nedbank Capital"	Nedbank Capital, a division of Nedbank Limited (registration number 1951/000009/06), a public company registered and incorporated in South Africa;
"NTAV"	net tangible asset value per share;
"the Protectors"	the three-person committee appointed in terms of the Tasslelane Technologies acquisition agreement to protect the rights of Jasco minority shareholders;
"PSG"	PSG Capital (Proprietary) Limited (registration number 2006/015817/07), a company with limited liability duly incorporated in accordance with the laws of South Africa and corporate adviser and sponsor to Jasco;
"Put Option Agreement"	the agreement dated 31 March 2008 between AfroCentric and Jasco, the terms of which are detailed in paragraph 2.4 of this circular;
"Rand"	South African Rand;
"RapidCloud Technologies"	Plumbago Technologies 53 (Proprietary) Limited (registration number 2007/002882/07), trading as RapidCloud Technologies, a company with limited liability duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Jasco;
"Registrar"	Registrar of Companies in South Africa;
"resolutions"	the ordinary resolutions, to be approved by the requisite majority of AfroCentric ordinary shareholders at the general meeting;
"Revised Listing Particulars"	the revised listing particulars dated Friday, 9 May 2008, including all annexures thereto, incorporated in this circular;
"SENS"	the Securities Exchange News Service of the JSE;
"Sizwe Ntsaluba" or "Auditors to AfroCentric"	SizweNtsaluba VSP, Registered Auditors;
"South Africa"	the Republic of South Africa;
"the SRP Code"	the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP;
"SRP"	Securities Regulation Panel, established in terms of Section 440 of the Act;
"Strate"	Strate Limited (registration number 1998/022242/06), a company registered and incorporated in South Africa and the electronic settlement system for transactions that take place on the JSE and off-market trades;
"the Subscription"	the subscription by AfroCentric of 40 000 (forty thousand) preference shares in Iningi, in terms of the Subscription Agreement;

"the Subscription Agreement"	the preference share subscription agreement between AfroCentric, Jasco and Iningi, dated 31 March 2008, in terms of which Iningi allots the Iningi preference shares to AfroCentric at the Subscription Consideration;
"the Subscription Consideration"	the price at which the Iningi preference shares shall be allotted and issued by Iningi to AfroCentric in terms of the Subscription Agreement, being an aggregate amount of R100 000 000 (one hundred million Rand), consisting of: • the par value of the Iningi preference shares; and • a premium of R2 499.999 (two thousand four hundred and ninety-nine Rand, ninety-nine comma nine cents);
"Taihan Electric"	Taihan Electric Wire Company Limited (registration number 004025), registered in South Africa as an external company with registration number 1999/009874/10 and listed on the Korean Stock Exchange;
"Tasslelane Technologies"	Tasslelane Technologies (Proprietary) Limited (formerly known as Tasslelane Investments (Proprietary) Limited) (registration number 2000/021545/07), a private company incorporated in South Africa and a wholly-owned subsidiary of Jasco;
"Tasslelane Technologies acquisition"	the acquisition by Jasco of the entire issued ordinary share capital of Tasslelane Technologies from CIH on 1 March 2003;
"Tasslelane Technologies acquisition agreement"	the agreement, effective 1 March 2003, between CIH and Jasco, the terms of which are summarised in paragraph 3.2 of this circular;
"Transaction Agreements"	collectively, the agreements dated 31 March 2008, namely: • the MTec Acquisition Agreement; • the Subscription Agreement; and • the Acquisition Agreement;
"the Transactions"	collectively the Acquisition and the Subscription;
"South Africa"	the Republic of South Africa;
"transfer secretaries" or "Computershare"	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/06), a private company registered and incorporated in South Africa; and
"the Vendors"	CIH, the Inkonkoni Trust and Malesela.

(Incorporated in the Republic of South Africa)
(Registration number 1988/000570/06)
JSE Codes: ACT, ACTP ISIN: ZAE000078416, ZAE000082269

Directors of AfroCentric

Dr N B Bam*^ *(Chair)*
N J M Canca*^
Dr M S V Gantsho*^
B Joffe*
J M Kahn*
M I Sacks *(Company Secretary)*
Prof D I Swartz*^
**Non-executive*
^Independent

CIRCULAR TO AFROCENTRIC ORDINARY SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

AfroCentric shareholders were advised of the Transactions in an announcement dated 3 April 2008.

The purpose of this circular is to provide AfroCentric ordinary shareholders, in compliance with the Listings Requirements, with relevant information regarding the Transactions and to give notice of the general meeting.

2. DETAILS OF THE TRANSACTIONS

Details of the Acquisition and the related suspensive conditions are set out below:

2.1 Details of the Acquisition

AfroCentric has entered into the Acquisition Agreement dated 31 March 2008 with CIH, the Inkonkoni Trust, Malesela and Jasco to acquire 34.9% of the ordinary shares in Jasco subsequent to the Conversion. The Acquisition will be effective from the Acquisition effective date.

2.2 Acquisition Consideration

The Acquisition of a 34.9% interest in Jasco will be at a consideration of R3.25 per Jasco ordinary share and will be settled by the issue of new AfroCentric ordinary shares at a price of R2.60 per AfroCentric Consideration Share. At the last practicable date the final number of AfroCentric Consideration Shares to be issued to the Vendors is unknown. This is because the number of Jasco ordinary shares to be issued to CIH pursuant to the Conversion will only be determined after the audit of the Jasco results for the year ended 29 February 2008 has been finalised (expected to only take place after the last practicable date). The Conversion potentially has the effect of increasing the number of Jasco ordinary shares in issue and therefore may potentially have an impact on the number of Jasco ordinary shares in issue at the last practicable date.

In addition various Jasco ordinary shares will be issued to Malesela pursuant to the MTec acquisition which will have a dilutive impact on AfroCentric's 34.9% interest in Jasco. To address this dilutive impact, AfroCentric will be able to exercise a call option against CIH in the first instance and Malesela if required, at a price of R3.25 per Jasco ordinary share to maintain AfroCentric's interest in Jasco at 34.9%. Furthermore, the purchase price for the Jasco ordinary shares acquired as a result of the call option will be discharged through AfroCentric issuing such number of ordinary shares at an issue price of R2.60 per ordinary share as is necessary to settle the purchase price in full. A reciprocal put option on the same terms has been granted by AfroCentric to CIH and Malesela, if required, fixed at a price of R2.60 per AfroCentric ordinary share and R3.25 per Jasco ordinary share.

The actual number of AfroCentric Consideration Shares will therefore only be finalised following the Conversion, the issue of new Jasco shares pursuant to the MTec acquisition as described in paragraph 4.1 below and the exercise of the Jasco call or put option. The Jasco call option is exercisable from the period commencing on the later of the first business day following the date of the Conversion and the first business day following the Acquisition closing date and lapses 30 days thereafter. The Jasco put option is exercisable for 30 days commencing on the first business day following the date on which the Jasco call option lapses and lapses at the end of the 30 days.

Based on the trading update published by Jasco on 31 March 2008 and management's best estimate at the last practicable date, the Acquisition Consideration, will be settled by the issue to Vendors of approximately 50 million AfroCentric Consideration Shares at R2.60 per AfroCentric Consideration Share, enlarging the existing AfroCentric share capital by approximately 53 percent.

2.3 Conditions precedent to the Acquisition Agreement

The Acquisition is subject to the following conditions:

- the approval of the Acquisition by AfroCentric ordinary shareholders in general meeting and the directors of AfroCentric;
- the obtaining of the relevant regulatory approvals, including those from the JSE and the SRP to the extent required;
- the MTec Acquisition Agreement becoming unconditional;
- insofar as is necessary, the approval of the Protectors; and
- the Subscription Agreement becoming unconditional.

The JSE has already granted the necessary approval for the Acquisition.

2.4 Details of the Subscription

Further to the Acquisition, AfroCentric has entered into a Subscription Agreement with Jasco and Iningi, a wholly-owned subsidiary of Jasco, for the Subscription Consideration.

In terms of the Subscription Agreement, AfroCentric has entered into an agreement with Iningi, a wholly-owned subsidiary of Jasco, to subscribe for 40 000 Iningi preference shares in the capital of Iningi for the Subscription Consideration of R100 million, being an issue price of R2 500 per Iningi preference share.

The Iningi preference shares will pay a semi-annual dividend to AfroCentric calculated at 80% of the ruling prime interest rate on the issue price per Iningi preference share and will be redeemable at the discretion of Jasco after three years, but no later than five years, from the date of issue.

Further to the Subscription Agreement, AfroCentric has entered into the Put Option Agreement with Jasco. The Put Option Agreement grants AfroCentric the right to sell the Iningi preference shares to Jasco for a consideration comprising the aggregate of:

- the redemption amount that would have been payable by Iningi to AfroCentric had the relevant Iningi preference shares been redeemed by Iningi on the date on which the relevant Iningi preference shares are sold ("the Sale Date") (notwithstanding the fact that Iningi was not in a position to pay any amount comprising such redemption amount) ("Redemption Amount");
- any costs or losses incurred by AfroCentric due to the exercise of the put option ("Breakage Costs"); and
- interest charged at the prime rate, nominal annual compounded monthly, on the Redemption Amount and the Breakage Costs from the Sale Date until payment is made, both dates inclusive.

The circumstances in which AfroCentric can exercise its right in terms of the Put Option Agreement are set out in Annexure 8.

Subject to the Subscription Agreement becoming unconditional in accordance with its terms, the Subscription will be implemented before 31 May 2008.

2.5 Conditions precedent to the Subscription Agreement

The Subscription is subject to the following conditions:

- the Acquisition becoming unconditional in accordance with its provisions;
- the passing of the required special resolutions and ordinary resolutions by the members and directors of Iningi and the registration of such special resolutions by the Registrar; and
- confirmation that no put option exercise event (as defined in the Subscription Agreement) in relation to the Iningi preference shares has occurred, which entitles AfroCentric to sell the Iningi preference shares to Jasco.

3. INFORMATION REGARDING JASCO

3.1 History and background of Jasco

Jasco, established in 1976, is an investment holding company with a core focus on the electronics and telecommunications industry. Jasco listed on the JSE on 2 October 1987.

Jasco's business model ensures a diversified portfolio of three divisions operating in the growth sectors of telecommunications, domestic products and security. Jasco's portfolio of businesses distribute, assemble and/or design and manufacture electronic and electrical products and solutions. In addition, as a further means of diversification, the group balances its income stream between local sales and services and international exports to Europe, United States of America and the African continent.

3.2 Redemption of preference shares in terms of the Tasslelane Technologies acquisition

Jasco acquired the entire issued share capital in Tasslelane Technologies from CIH with effect from 1 March 2003, details of which are set out in a circular to Jasco shareholders dated 1 May 2003. Part of the settlement consideration included the issue of 29 884 633 Jasco preference shares to CIH. With effect from 1 March 2008, Jasco may issue up to a maximum of a further 29 884 633 ordinary shares to CIH following the redemption of the above Jasco preference shares.

The issue will be subject to certain profit targets being met and will be based on the actual cumulative after-tax profit made by Jasco for the five-year period ended 29 February 2008, adjusted for abnormal items and expressed as a headline earnings per share figure.

In the event that the profit targets are 100% achieved, 29 884 633 new Jasco ordinary shares will be issued. In the event that the profit targets are more than 50% but less than 100% achieved, a *pro rata* percentage of new Jasco ordinary shares will be issued. Should the profit targets be less than 50%, no new Jasco ordinary shares will be issued.

It is Jasco management's current estimate that approximately 17 163 961 of these Jasco preference shares will be re-issued as ordinary shares. This will increase the CIH holding in Jasco to between 40% – 50% (before taking into account the effects of the Transactions).

3.3 Material borrowings of Jasco

Save for a loan of R6.8 million outstanding at 31 August 2007, as a result of the acquisition of the business of RapidCloud Technologies from Messrs Arnoud de Nooy and Malcolm Clark of which the last instalment is payable in April 2009 as disclosed in the Jasco circular dated 30 April 2008, there are no material loans outstanding and owing by Jasco at the last practicable date.

3.4 Vendor information regarding CIH, the Inkonkoni Trust and Malesela

Other than for the Vendors, AfroCentric does not have any other vendors for any material assets purchased in the preceding three years.

Details of the Vendors are disclosed below:

Full vendor name	Business address
Community Investment Holdings (Proprietary) Limited (Registration number 1995/007296/07)	Atterbury Estate Block 1, First Office 19 Frikkie de Beer Street Menlyn
The Inkonkoni Investment Holding Trust (IT number IT2629/02)	Atterbury Estate Block 1, First Office 19 Frikkie de Beer Street Menlyn
Malesela Holdings No. 1 (Proprietary) Limited (Registration number 1998/007247/07)	Atterbury Estate Block 1, First Office 19 Frikkie de Beer Street Menlyn

The Acquisition consideration has been disclosed in paragraph 2.2. The value of the shares to be acquired, being a 34,9% interest in Jasco, was determined with reference to the ruling price of Jasco ordinary shares on the JSE on the date of signature of the agreement.

The Vendors have not guaranteed the book debts or other assets of Jasco. Warranties are only in respect of ownership of their current shares in Jasco.

The agreement with the Vendors does not preclude any Vendor from carrying on business in competition with AfroCentric or its subsidiary nor does it impose any restraints of trade on the Vendors.

AfroCentric shall bear stamp duty and marketable securities tax only and no other costs accruing to the Vendors as a result of the Acquisition.

The 34.9% interest in Jasco will be transferred to AfroCentric on the Acquisition closing date.

3.5 Recent financial information relating to Jasco

Recent financial information of Jasco extracted from the published interim financial results for the six-month period ended 31 August 2007, an extract of Jasco's three-year history for the years ended 31 March 2005, 31 March 2006 and 31 March 2007, as well as further financial information on Jasco as required by the Listings Requirements, is set out in Annexure 2 to this circular.

3.6 Prospects for Jasco

Jasco expects expenditure in the wireless telecommunications sector to continue in light of the drive by Government to liberalise this sector in South Africa, whilst the roll-out of GSM networks on the African continent also continues to provide strong volume growth opportunities. The convergence of fixed line and wireless as a means to provide telecommunications services offers opportunities to both the major traditional fixed line and wireless operators as they move to offer both types of connectivity. In addition, the advent of wireless broadband solutions such as Wimax and Wi-Fi offers new opportunities in both South Africa and Africa.

The Security division should benefit from the need to improve the general security position in South Africa for the 2010 FIFA World Cup. One way of doing this is the introduction of electronic surveillance systems in public places. The Security division has already benefited from a number a material tenders from Transtel, the Bisho Correctional Centre for minors and the Johannesburg Metropolitan Council. In addition, the division also benefits from increased expenditure by the private sector to improve security.

The acquisition of an economic interest in MTec allows Jasco to gain entry and exposure to the very lucrative cable market in South Africa and also allows Jasco to benefit from the current and expected infrastructure spend in South Africa and on the rest of the African continent.

Jasco will also take advantage of the opportunity to sell the existing products it supplies and/or manufactures to the rest of MTec's customers. Certain benefits are also expected from the supply of cable by MTec to the business units in Jasco that manufacture/supply-related electrical products, as well as the introduction of MTec's products to Jasco's existing customers.

4. INFORMATION RELATING TO THE MTEC ACQUISITION

4.1 The MTec acquisition

Jasco has entered into the MTec Acquisition Agreement to acquire an effective 34% economic interest in MTec through:

- the acquisition of a 49% interest in the ordinary shares of MTec for a maximum consideration of R99,1 million. Jasco will transfer these shares to Iningi ("MTec ordinary share acquisition");
- an MTec call option to acquire 51.1% of MTec convertible preference shares (being 23 000 out of 45 000 MTec convertible preference shares and representing a 23% economic interest in MTec) from the other shareholder in MTec, Taihan Electric, for a total consideration of R115 million. Jasco will transfer the MTec call option to Iningi. Iningi will exercise the MTec call option and acquire the MTec preference shares immediately after the MTec ordinary shares acquisition becomes unconditional, with effect from the MTec effective date.

In addition, Malesela has granted Jasco the option to acquire a further 2% of the ordinary shares in MTec for a consideration of 1 cent per MTec ordinary share. Jasco has undertaken that, subject to obtaining the relevant regulatory approvals, it will exercise this option once the MTec Acquisition Agreement has become unconditional. This option and the MTec ordinary shares acquisition collectively represent an economic interest of approximately 11% in MTec.

The purchase price of R99.1 million for the MTec ordinary shares acquisition will be discharged by Jasco by paying an amount of R10 million cash and issuing 27 415 385 Jasco ordinary shares to Malesela at an issue price of R3.25 per Jasco ordinary share.

The consideration for the MTec call option acquisition, being R115 million, will be settled in cash. Iningi will finance R100 million of the total R115 million cash consideration through the issue of Iningi preference shares to AfroCentric as described in paragraph 2.4. The balance of R15 million will be financed by means of a loan from Jasco.

Taihan Electric also holds 100% of R20 million convertible debentures (comprising 33 431 debentures at a price of R598,25 per debenture) in MTec. These debentures may be converted (at the option of Taihan Electric) to fully paid MTec ordinary shares after 31 August 2010 or when MTec is listed on any stock exchange. At the last practicable date and prior to the implementation of the Transactions, Taihan Electric therefore effectively owns 89% of the economic interest in MTec, with the remaining economic interest currently held by Malesela.

In addition, Taihan Electric currently and post the MTec acquisition will continue to have the ability to appoint the majority of directors on MTec's board and the ability to govern the financial and operating policies of MTec. Accordingly, Taihan Electric will effectively continue to control MTec.

4.2 Conditions precedent to the Mtec acquisition

The implementation of the MTec acquisition is conditional upon:

- the approval of ordinary and special resolutions as are required for the implementation of the MTec acquisition by the Jasco shareholders in general meeting including insofar as is necessary, a waiver by the Jasco's shareholders in general meeting of any requirement for CIH to make a mandatory offer in terms of the SRP Code to any of the Jasco's shareholders and the SRP approving the need to make a mandatory offer following the obtaining of such waiver;
- the special resolutions being registered by the Registrar;
- insofar as is necessary, the approval of the Protectors;
- the obtaining of the relevant regulatory approvals, to the extent required;
- the Acquisition Agreement becoming unconditional; and
- the Subscription Agreement becoming unconditional.

The JSE has already granted the necessary approval for the MTec acquisition.

Further details regarding the MTec acquisition are contained in a circular to Jasco shareholders dated 30 April 2008 and copies of this circular may be obtained (in English only) at the registered offices of AfroCentric, Jasco and PSG.

On the assumption that the requisite approvals are obtained, including Jasco shareholders' approval for the MTec acquisition, it is anticipated that Jasco will take beneficial ownership of the MTec economic interest on the MTec acquisition effective date.

4.3 Historical financial information relating to MTec

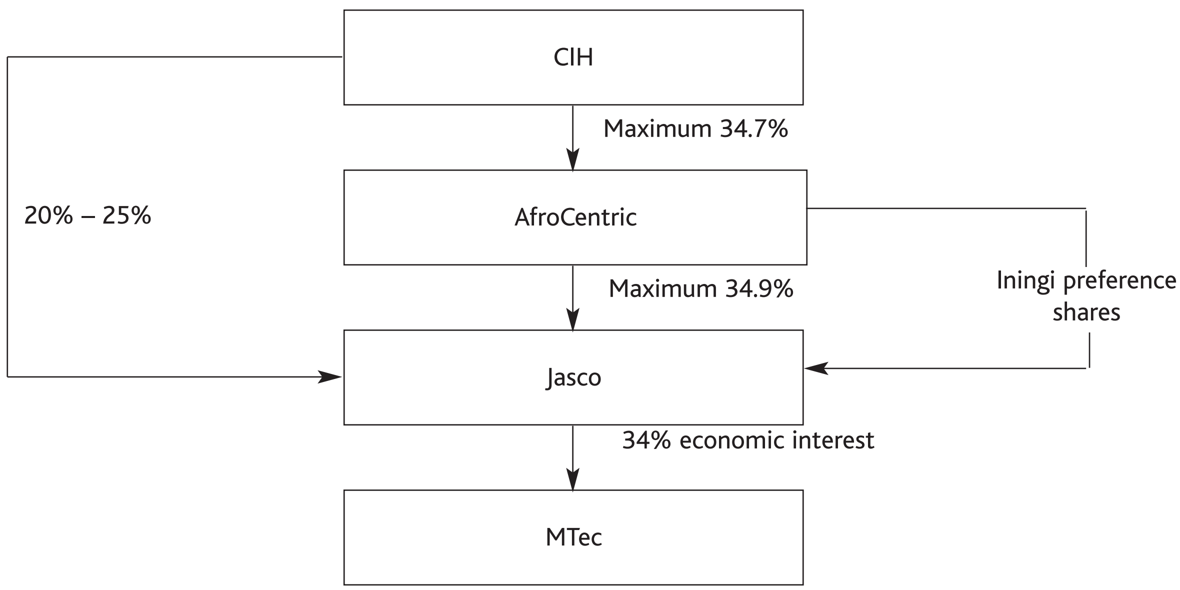
The historical financial information of MTec for the three financial years ended 30 June 2005, 30 June 2006 and 30 June 2007 and the six-month period ended 31 December 2007 are set out in Annexure 4. The historical financial information should be read in conjunction with the reporting accountants' report thereon as set out in Annexure 3.

4.4 Prospects for MTec

The acquisition of an economic interest in MTec allows Jasco to gain entry and exposure to the very lucrative cable market in South Africa and also allows Jasco to benefit from the current and expected infrastructure spend in South Africa and on the rest of the African continent. Some of the specific prospects are shown below:

- MTec was recently awarded a five-year contract by Eskom to supply aluminium overhead conductors. The minimum take-off requirement is valued at approximately R500 million per annum;
- to date, MTec supplied only fibre optic cable to Telkom, but with the recently commissioned copper telecommunications cable plant, MTec will now also be in a position to supply this product to Telkom;
- MTec secured 50% of the new Neotel fibre supply contract, a five-year contract renewable annually;
- MTec has a patented overhead copper contact wire and catenary used by Spoornet in their transport network. Recently announced initiatives by Transnet regarding the upgrading and expansion of the railway network in South Africa in the near future will benefit MTec; and
- MTec is currently the only locally based manufacturer of optical ground power wire. This cable is used as the earthing conductor on hi-voltage power transmission lines, whilst it also offers communication capabilities as it incorporates a fibre optic component.

5. ENVISAGED SHAREHOLDING STRUCTURE OF AFROCENTRIC, JASCO AND CIH, POST THE TRANSACTIONS



6. RATIONALE FOR THE TRANSACTIONS AND THE MTEC ACQUISITION

AfroCentric recognises that infrastructural development is a catalyst for South Africa's future growth and progress. Both Government and the private sector have committed to this fundamental imperative and have promoted significant infrastructural projects through the national budget, joint financing models, delivery concessions and other institutional innovations. Given the Government's repeated appropriations, these infrastructural projects are likely to continue for several years.

Taihan Electric is a significant player in global infrastructural development projects and their corporate entity in South Africa (MTec) has made excellent progress in positioning itself in South Africa as a significant investor, employer and provider to South Africa's infrastructural undertakings and endeavours.

Given AfroCentric's interest in this enterprise and Jasco's opportunity to expand the scope of its business through the acquisition of a significant minority interest in MTec, it made eminent commercial sense to facilitate the MTec acquisition for Jasco, at the same time being able to participate in Jasco's complementary and profitable electronics and telecommunications businesses, where AfroCentric is capable of adding substantial value.

MTec has also established Taihan Electric's strategic platform for infrastructural business supply opportunities in countries north of South Africa and on the African continent.

7. CHANGE IN CONTROL IN JASCO

Due to AfroCentric's cooperation and involvement in the Transactions, the SRP is of the view that AfroCentric and CIH are acting in concert in relation to Jasco and have ruled that the Transactions constitute an affected transaction in Jasco and hence the provisions of Rule 8 of the SRP Code apply. In light of this, Jasco shareholders will be requested to approve in general meeting and grant a waiver of their rights to a mandatory offer as provided for in Rule 8.7 of the SRP Code.

The SRP has advised that it is willing to consider an application to grant a dispensation ("the dispensation") to CIH and AfroCentric in terms of the SRP Code from the obligation to make a mandatory offer if Jasco shareholders (other than CIH who is a related party) in a general meeting waive their right to require CIH and AfroCentric to make a mandatory offer and subject to the SRP considering any representation (if any) made by Jasco shareholders as contemplated in the paragraphs below.

Any Jasco shareholder who wishes to object to the dispensation shall have 14 clear days from the date of posting of the Jasco circular, being Wednesday, 30 April 2008, to raise such objection with the SRP.

If any submissions are made to the SRP within the permitted time frame, the SRP will consider the merits thereof, and, if necessary, provide Jasco with an opportunity to make representations to the SRP. Thereafter, subject to the waiver in general meeting being granted by Jasco shareholders, the SRP will rule on the requirements for a mandatory offer.

The granting of the aforesaid waiver and of the dispensation is a condition precedent to the Transactions.

8. SALIENT INFORMATION ON AFROCENTRIC

8.1 Historical financial information

Financial information extracted from the published unaudited results of AfroCentric for the six-month period ended 31 December 2007 is set out in Annexure 1 to this circular.

8.2 Unaudited *pro forma* financial effects of the Transactions

This unaudited *pro forma* financial information has been prepared for illustrative purposes only and because of its nature may not give a fair reflection of AfroCentric's financial position and results of operations, nor of the effect and impact of the Transactions on AfroCentric.

Based on the unaudited interim results of AfroCentric for the six months ended 31 December 2007, the unaudited *pro forma* financial effects of the Transactions on EPS, HEPS, NAV and NTAV are set out below. The preparation of the *pro forma* financial information is the responsibility of AfroCentric's directors.

Per AfroCentric ordinary share (cents)	Before the Transactions[(1)]	After the Transactions[(2)]	Percentage change
EPS and HEPS[(3)]	3.48	5.44	56.4
Fully diluted EPS and diluted HEPS[(3)]	2.96	4.62	56.4
NAV and tangible NAV per share[(4)]	113.19	162.62	43.7
Weighted average shares in issue for calculating EPS and HEPS	94 000 000	143 954 741	53.1
Weighted average fully diluted shares in issue for calculating FDEPS and FDHEPS	110 558 235	169 358 519	53.1
Shares in issue for calculating NAV and NTAV	94 000 000	143 954 741	53.1

Notes:

1. Based on the published results of AfroCentric for the six months ended 31 December 2007.
2. Based on the assumption that the Transactions were effected on 1 July 2007 for income statement purposes and 31 December 2007 for balance sheet purposes.
3. Earnings and headline earnings have been adjusted to include the following:
   (a) *pro forma* equity accounted income attributable to AfroCentric from Jasco for the six-month period ended 31 August 2007;
   (b) the *pro forma* earnings of Jasco have been adjusted to include the MTec results for the six-month period ended 31 December 2007. The effect of (a) and (b) have resulted in earnings from Jasco, attributable to AfroCentric's envisaged 34.9% interest therein, of R5.4 million;
   (c) the *pro forma* net interest of R3.8 million foregone by AfroCentric on the cash utilised to subscribe to the Iningi preference shares in terms of the Subscription Agreement;
   (d) the *pro forma* net dividend income receivable from Jasco as a result of the Subscription for the Iningi preference shares of R5.2 million; and
   (e) once-off transaction costs incurred by AfroCentric in pursuance of the Transactions, estimated to be approximately R2.2 million (excluding Value-Added Tax "VAT").
4. NAV and NTAV have been adjusted for the investments resulting from the Acquisition and the Subscription as well as the transaction costs referred to above.
5. For purposes of the *pro forma* financial effects, the number of shares to be issued by AfroCentric as AfroCentric Consideration Shares has been estimated to be 49 954 741. This number is based on the terms of the Acquisition Agreement and on an estimate by Jasco management of the number of Jasco ordinary shares that are expected to be issued in terms of the Conversion.
6. Extract from the Jasco circular: "It should be noted that the unaudited *pro forma* financial effects have been prepared on Jasco's latest six-month results and that Jasco's performance, when measured on an annual basis, has historically been affected by seasonality factors which favour substantially stronger performance in the second half of Jasco's financial year".
7. Extract from the Jasco circular: "It should further be noted that MTec has undergone a detailed independent due diligence investigation. The due diligence investigation indicated that MTec's business is also affected by similar seasonal trends (as those experienced by Jasco) and that the results of MTec on an annual basis should have no dilutionary effect on the expected future earnings and headline earnings of Jasco, as the share of the associated earnings from MTec should offset the dilution resulting from the allocation of additional Jasco ordinary shares."

The detailed *pro forma* financial information as a result of the Transactions is set out in Annexure 6 to this circular.

The text of the independent reporting accountants' report on the above unaudited *pro forma* financial effects and the unaudited detailed *pro forma* financial information and notes thereto as contained in Annexure 6, is contained in Annexure 5 to this circular.

Upon the finalisation of Jasco ordinary shares to be issued to CIH in terms of the Conversion, the exact number of AfroCentric Consideration Shares will be finalised. An announcement illustrating the final *pro forma* financial effects of the Transactions will be released on SENS in due course.

8.3 Loans, borrowings, loan capital and debentures

The AfroCentric group did not have any material loans, borrowings or outstanding loan capital at 31 December 2007, being the Company's most recent period end, or as at the last practicable date. Further to this, there was no debenture capital in issue at the last practicable date

9. PROSPECTS FOR AFROCENTRIC

The directors are of the view that the Transactions and the MTec acquisition present attractive prospects of enhanced earnings to AfroCentric ordinary shareholders. The substantially improved investment rating and liquidity, that a successful implementation of the Transactions will introduce to the Company's shares, will bring further benefits to AfroCentric shareholders.

The Board remains committed to propositions that are commercially sound and satisfy the strict investment criteria specified by the Board Investment Committee. Suitable investments will be concluded at the appropriate time on terms which are considered to be in the best interest of shareholders.

10. HISTORY OF CHANGE

On 20 December 2005 control of AfroCentric changed when Messrs Meyer Kahn (Chairman of SABMiller plc) and Michael (Motty) Sacks (Chairman of Netcare Limited) purchased 80% of the Company's issued share capital. Their purpose was to reconstitute AfroCentric, which was then a cash shell, as a broad-based black empowered diversified investment holding company that would actively participate in the economic transformation presently occurring in South Africa. Pursuant to this objective a leading group of fellow directors was appointed, namely Ms Brigalia Bam (Chair of the Independent Electoral Commission), Ms Nomhle Canca (CEO of Blue IQ Investment Holdings), Mr Mandla Gantsho (at the time of appointment, CEO of the Development Bank of Southern Africa, now recently appointed Vice-President, Operations, North, East and South Africa Region of the African Development Bank), Mr Brian Joffe (CEO of the Bidvest Group) and Prof Derrick Swartz (Vice-Chancellor of The Nelson Mandela Metropolitan University).

The Board then resolved to recapitalise the Company to enable it to achieve its investment objectives by means of a rights offer effected on 14 August 2006. As part of the recapitalisation process, the AfroCentric Empowerment Trust, a trust established for this purpose, acquired 50.1% of the issued ordinary share capital of AfroCentric. This trust has leading broad-based black institutions as its beneficiaries.

11. DIRECTORS OF AFROCENTRIC

The names, ages, qualifications, nationality, business addresses and function and a brief *curriculum vitae* of each director of AfroCentric are set out in paragraph 2 of the Revised Listing Particulars.

12. BOARD INVESTMENT COMMITTEE

The Board Investment Committee was constituted to evaluate and recommend investment opportunities to the Board.

This committee comprises of Messrs Brian Joffe, Meyer Kahn and Michael Sacks as well as Ms Nomhle Canca.

13. DIRECTORS' REMUNERATION

The remuneration of the directors of AfroCentric will not be varied as a result of the Transactions.

The directors' remuneration for the 12-month period ended 30 June 2007 was as follows:

Director	**Fee R**
Dr N B Bam	40 000
N M J Canca	40 000
Dr M S V Gantsho	40 000
Prof D I Swartz	40 000
Total	160 000

No other benefits or amounts were paid to the directors for the most recent financial year.

14. DIRECTORS' BENEFICIAL INTERESTS IN AFROCENTRIC

At the last practicable date, the aggregate interests of the directors of AfroCentric in the share capital of AfroCentric were as follows:

14.1 Directors' beneficial interests in AfroCentric ordinary shares

	Beneficial		Percentage
	Direct	Indirect	held[1]
Dr N B Bam	150 000	–	0.16
N M J Canca	150 000	–	0.16
Dr M S V Gantsho	250 000	–	0.27
B Joffe	–	–	–
J M Kahn	5 002 250	–	5.32
M I Sacks	–	–	–
Prof D I Swartz	150 000	–	0.16
Total	**5 702 250**	**–**	**6.07**

Note:

1. Based on 94 000 000 AfroCentric ordinary shares in issue at the last practicable date.

14.2 Directors' beneficial interests in AfroCentric preference shares

	Beneficial		Percentage
	Direct	Indirect	held[1]
J M Kahn	3 784 981	–	22.75
M I Sacks	3 784 981	–	22.75
Total	**7 569 962**	**–**	**45.50**

Note:

1. Based on 16 638 000 AfroCentric preference shares in issue at the last practicable date.

15. DIRECTORS' INTERESTS IN TRANSACTIONS

No AfroCentric director had any beneficial interest in transactions effected by AfroCentric either during the current or immediately preceding financial year, or in an earlier financial year and which remain in any respect outstanding or unperformed.

16. DIRECTORS' SERVICE CONTRACTS

As at the last practicable date there were no service contracts between AfroCentric and any of its directors. Further to this, no restraint payments have been made to any director.

17. MAJOR AFROCENTRIC SHAREHOLDERS

Insofar as is known to AfroCentric, the major AfroCentric shareholders, other than directors, who beneficially held 5% or more of the issued AfroCentric shares prior to the Transactions at the last practicable date, are set out below. Details of the major AfroCentric shareholders following the Transactions and the MTec acquisition are set out in paragraph 4.5 of the Revised Listing Particulars.

17.1 Major shareholders of AfroCentric ordinary shares

Major shareholder	Number of shares	Percentage held[1]
The AfroCentric Empowerment Trust	47 100 000	50.1
Total	**47 100 000**	**50.1**

Note:

1. Based on 94 000 000 AfroCentric ordinary shares in issue at the last practicable date.

17.2 Major shareholders of AfroCentric preference shares

Major shareholder	Number of shares	Percentage held[1]
Eagle Creek Investments 605 (Proprietary) Limited	3 686 800	21.86
Total	**3 686 800**	**21.86**

Note:

1. Based on 16 638 000 AfroCentric preference shares in issue as at the last practicable date.

18. OPINIONS AND RECOMMENDATIONS

The AfroCentric Board has considered the terms and conditions of the Transactions, and is of the opinion that the terms and conditions of the Transactions are favourable to AfroCentric shareholders and recommends that AfroCentric ordinary shareholders vote in favour of the Transactions at the general meeting.

All the directors of AfroCentric who own AfroCentric ordinary shares in their personal capacity intend to vote in favour of the Transactions.

19. PREPARATION OF REVISED LISTING PARTICULARS

In terms of Section 9.22 of the Listings Requirements the Transactions result in an issue of securities that would increase the ordinary shares issued by more than 25%. Consequently, Revised Listing Particulars have been incorporated into this circular as a result of the issue of the AfroCentric Consideration Shares.

20. LITIGATION STATEMENT

The directors of AfroCentric are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving AfroCentric, Jasco or MTec which may have, or have had, a significant effect on the group's financial position during the last 12 months preceding the date of this circular.

21. WORKING CAPITAL STATEMENT

The directors of the AfroCentric group are of the opinion that the working capital available to the AfroCentric group, subsequent to the Transactions (including the MTec acquisition), is adequate for the present requirements of the Company, i.e. for a period of 12 months from the date of issue of this circular.

22. MATERIAL CONTRACTS

With the exception of the Transaction Agreements discussed elsewhere in this circular, the AfroCentric group has not entered into any material contracts, either verbally or in writing, during the two years preceding the date of issue of this circular, other than in the ordinary course of its businesses. Further to this, no material contracts, other than in the ordinary course of business, have been entered into, containing an obligation or settlement that is material to the AfroCentric group at the last practicable date. In so far as is known to the directors and other than as stated in the Jasco circular to shareholders dated 30 April 2008, neither Jasco nor MTec have entered into any material contracts, either verbally or in writing, during the two years preceding the date of this circular, other than in the ordinary course of their respective businesses. Further to this, in so far as is known to the directors and as stated in the Jasco circular to shareholders dated 30 April 2008, no material contracts, other than in the ordinary course of business, have been entered into, containing an obligation or settlement that is material to AfroCentric, Jasco or Mtec at the last practicable date

23. MATERIAL CHANGES

There have been no material changes in the affairs or financial position of the AfroCentric group, save as disclosed in this circular, between the publication of AfroCentric's reviewed interim results for the six months ended 31 December 2007 and the last practicable date. In so far as is known to the directors and other than as stated in the Jasco circular to shareholders dated 30 April 2008, there has been no material changes in the affairs or financial position of the Jasco group or MTec group between the publication of Jasco's interim results for the six months ended 31 August 2007 and MTec's reviewed interim results for the six-month period ended 31 December 2007 and the last practicable date.

24. EXPENSES RELATING TO THE TRANSACTIONS

The expenses, including VAT, relating to the Transactions are set out below:

Description	R
Nedbank (Investment bank and transactional sponsor to AfroCentric)	2 052 000
Sasfin Corporate Finance (Sponsor)	51 300
Ernst & Young (Independent reporting accountants for AfroCentric)	82 220
HR Levin (Legal advisers to AfroCentric)	75 000
JSE documentation fee	34 713
JSE fee to list the Acquisition Consideration Shares	79 177
Printing costs (including publication and distribution)	83 561
Total	2 459 971

25. DIRECTORS' RESPONSIBILITY STATEMENTS

The directors of AfroCentric, details of whom are set out in paragraph 2.1 of the Revised Listing Particulars:

- have considered all statements of fact and opinion in this circular;
- collectively and individually, accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading;
- have made all reasonable enquiries in this regard; and
- certify that, to the best of their knowledge and belief, that the circular contains all information required by law and the Listings Requirements.

26. CONSENTS

Each of the advisors set out in the Corporate Information section of this circular have provided their written consent to act in the capacity stated and to their names being used in this circular and have not withdrawn such consent prior to the publication of this circular.

27. GENERAL MEETING

27.1 Notice of general meeting

A notice convening the general meeting is attached to this circular. The general meeting will be held at The Auditorium, Ground Floor, 76 Maude Street (corner West Street), Sandton on Monday, 26 May 2008 commencing at 10:00.

27.2 Dematerialised, other than own-name, AfroCentric ordinary shareholders

If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish them with your instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. Such holders of dematerialised AfroCentric ordinary shares, other than own-name dematerialised AfroCentric ordinary shareholders, must **not** complete the attached form of proxy (yellow). Unless you advise your CSDP or broker in the manner and cut-off time stipulated by your CSDP or broker, that you wish to attend the general meeting or send a proxy to represent you at the general meeting, your CSDP or broker will assume you do not wish to attend the general meeting or send a proxy. If you wish to attend the general meeting, you must request your CSDP or broker to issue the necessary letter of representation to you, to enable you to attend or be represented at the general meeting.

27.3 Dematerialised own-name AfroCentric ordinary shareholders and certificated AfroCentric ordinary shareholders

If your AfroCentric ordinary shares have been dematerialised but are recorded in the register of AfroCentric in your name or if your AfroCentric ordinary shares have not been dematerialised you can attend and vote at the general meeting. If you are unable to attend the general meeting and wish to be represented thereat, you must complete the attached form of proxy (yellow) in accordance with the instructions therein and lodge it with or post it to the transfer secretaries, to be received by no later than 10:00 on Thursday, 22 May 2008 (or 24 hours before any adjournment of the general meeting which date, if necessary, will be released on SENS and published in the press). A form of proxy (yellow) for use by AfroCentric ordinary shareholders at the general meeting is included with this circular. Instructions for its completion and lodging with the transfer secretaries are contained in such form.

27.4 Shareholder approval

In terms of the Listings Requirements the Transactions are subject to approval by ordinary resolution passed by at least 50% plus one of AfroCentric ordinary shareholders present or represented by proxy at the general meeting and entitled to vote.

27.5 Voting rights

All the issued AfroCentric ordinary shares rank *pari passu* with each other. The AfroCentric preference shares do not carry any voting rights and consequently AfroCentric preference shareholders will not be voting on the Transactions.

At the general meeting, every AfroCentric ordinary shareholder present or represented by proxy at the general meeting shall have one vote on a show of hands, and on a poll, one vote for every AfroCentric ordinary share held.

28. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this circular will be available in English, along with the following documents, or copies thereof, which will be available for inspection, during normal business hours at the registered office of AfroCentric and the offices of Nedbank Capital, from the date of this circular up to and including the date of the general meeting:

- AfroCentric's memorandum and articles of association;
- the signed Transaction Agreements setting out the terms and conditions of the Transactions and the MTec acquisition;
- AfroCentric's audited financial statements for the three years ended 30 June 2005, 30 June 2006 and 30 June 2007;
- AfroCentric's abridged interim results for the six months ended 31 December 2007;
- Jasco's audited financial statements for the three years ended 28 February 2005, 28 February 2006 and 28 February 2007;
- Jasco's abridged interim results for the six months ended 31 August 2007;
- the audited financial information of MTec for the three financial years ended 30 June 2005, 30 June 2006 and 30 June 2007;
- the unaudited financial information of MTec for the six-month period ended 31 December 2007;
- the independent reporting accountants' report on the historic financial information of MTec, as set out in Annexure 3;
- the written consents of the appointed professional advisers as set out in paragraph 26 of this circular;
- the signed reporting accountants' report on the *pro forma* financial information of AfroCentric as set out in Annexure 5 to this circular; and
- a signed copy of this circular.

This circular incorporating the Revised Listing Particulars signed at Johannesburg on behalf of all the directors of AfroCentric in terms of powers of attorney granted on 21, 22, 23 and 30 April 2008.

M I Sacks

9 May 2008
Johannesburg

Registered office
PKF (Jhb) Inc.
(Registration number 1994/001166/21)
41 Wierda Road West
Wierda Valley
Sandton, 2196
(Private Bag X34, Benmore, 2010)

Transfer secretaries
Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

EXTRACTS OF LATEST AFROCENTRIC RESULTS

An extract of AfroCentric's unaudited interim results for the six months ended 31 December 2007, as released on SENS on 27 March 2008, is set out below. This extract should be read in conjunction with the accounting policies of AfroCentric as set out in Annexure 1B to this circular.

"Accounting policies and basis of preparation

The condensed unaudited financial information has been prepared in accordance with the International Financial Reporting Standards ("IFRS") International Accounting Standard 34 on a consistent basis with that of the prior period.

In terms of Section 291 of the Companies Act, 61 of 1973, as amended, and with the requisite approval of the Registrar of Companies, the Directors exercised their discretion not to present consolidated financial statements for the period ended 31 December 2006. The comparative figures for the period ended 31 December 2006 in this announcement are again presented on this basis as the adjustments which may be necessary, would be of no value to shareholders.

Business activities and company results

During the period under review, the Company continued to facilitate the assembly and consolidation of certain prospecting, exploration and mining rights in the provinces of Limpopo and the North West. Subject to the successful outcome of exploration and prospecting presently in progress by the Company's associates, Rio Tinto Mining Plc ("Rio Tinto"), these rights are in due course expected to form part of joint venture projects to be concluded between AfroCentric and Rio Tinto.

The Company awaits the outcome of other prospecting, exploration and mining rights applications submitted through certain of the provincial Departments of Minerals and Energy.

In addition to the above mining matters, during the period under review, numerous investment opportunities were presented and considered by the Board Investment Committee.

Prospects

Exploration and prospecting by its very nature is a long-term process. Nevertheless, the general course and conduct of the Strategic Co-operation Agreement with Rio Tinto is working well and the Board remains optimistic about the matters in progress and the potential results which could evolve through this relationship.

The Board remains committed to propositions that are commercially sound and satisfy the strict investment criteria specified by the Board Investment Committee. Suitable investments will be included at the appropriate time on terms which are considered to be in the best interest of shareholders.

Unaudited interim results for the six months ended 31 December 2007

Condensed Income Statement

	Unaudited six months ended 31 December 2007 R'000	Unaudited six months ended 31 December 2006 R'000	Audited year ended 30 June 2007 R'000
Revenue			
Net finance income	5 235	3 203	7 826
Expenditure	(631)	(551)	(1 144)
Administrative	(324)	(551)	(1 144)
Other	(307)	–	–
Profit before Tax	4 604	2 652	6 682
Taxation	(1 335)	(769)	(2 009)
Profit for the period attributable to equity holders of the company	3 269	1 883	4 673

Condensed Balance Sheet

	Unaudited six months ended 31 December 2007 R'000	Unaudited six months ended 31 December 2006 R'000	Audited year ended 30 June 2007 R'000
ASSETS			
Current Assets	**108 024**	**101 347**	**105 522**
Cash and cash equivalents	108 024	101 347	105 522
Total assets	**108 024**	**101 347**	**105 522**
EQUITY AND LIABILITIES	**106 395**	**100 336**	**103 126**
Share capital	1 106	1 106	1 106
Share premium	97 203	97 203	97 203
Distributable reserves	8 086	2 027	4 817
Current liabilities	1 629	1 011	2 396
Trade and other payables	**294**	**242**	**387**
Taxation	1 335	769	2 009
Total equity and liabilities	**108 024**	**101 347**	**105 522**

Condensed Statement of Changes in Equity

	Unaudited six months ended 31 December 2007 R'000	Unaudited six months ended 31 December 2006 R'000	Audited year ended 30 June 2007 R'000
Opening balance	103 126	239	239
Rights offer – ordinary shares issued	–	84 600	84 600
Rights offer – preference shares issued	–	15 140	15 140
Profit for the period	3 269	1 883	4 673
Rights issue expenses	–	(1 526)	(1 526)
Closing balance	**106 395**	**100 336**	**103 126**

Condensed cash flow statement

	Unaudited six months ended 31 December 2007 R'000	31 December 2006 R'000	Audited year ended 30 June 2007 R'000
Cash and cash equivalents – opening balance	105 522	265	265
Proceeds rights offer – ordinary shares	–	84 600	84 600
Proceeds rights offer – preference shares	–	15 140	15 140
Net cash proceeds operating activities	2 502	1 342	5 517
Cash and cash equivalents – closing balance	108 024	101 347	105 522
Earnings attributable to equity holders			
Earnings attributable to ordinary shareholders	3 269	1 883	4 673
Number of ordinary shares in issue at the end of the period	94 000 000	94 000 000	94 000 000
Number of preference shares in issue at the end of the period	16 638 000	16 638 000	16 638 000
Weighted average number of ordinary shares in issue for the period	94 000 000	72 849 582	83 801 644
Weighted average number of preference shares in issue for the period	16 638 000	12 478 418	14 632 323
Weighted average number of ordinary shares adjusted for the dilutionary impact of the preference shares	110 638 000	85 328 000	98 433 967

Reconciliation of earnings and headline earnings per share:

Earnings per share (cents) attributable to equity holders of the Company (Note 1 and 2):

– Basic	3.48	2.58	5.58
– Fully diluted	2.95	2.21	4.75

Notes:

1. The calculation of basic earnings per share is based on net income for the six months ended 31 December 2007 of R3 269 000 (2006: R1 883 000) and a weighted average of 94 000 000 (2006: 72 849 582) ordinary shares in issue.
2. The calculation of fully diluted earnings per shares is based on net income for the six months ended 31 December 2007 of R3 269 000 (2006: R1 883 000) and a weighted average of 110 638 000(2006: 85 328 000) equity shares in issue after taking into account the dilutionary impact of the Preference Shares."

EXTRACTS OF AFROCENTRIC'S PRINCIPAL ACCOUNTING POLICIES

1. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of preparation

The principal accounting policies applied in preparation of these financial statements have been consistently applied to all years presented, unless otherwise stated.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the South African Companies Act, 1973. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year based on management's best knowledge of current events and actions.

1.2 Functional and presentation currency

Items included in the financial statements are measured using the currency that best reflects the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in South African Rand, which is the functional and presentation currency of the Company.

1.3 Consolidation

Investment in subsidiary companies

Subsidiaries are all entities (including special-purpose entities) over which the Group has the power to govern in terms of 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 issues 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 fair 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 fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.4 Investments

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. Investments are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the assets. Cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of securities are recognised in equity. Fair values for unlisted equity securities are estimated using the last trading value or the directors' valuation of those securities. When securities are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Dividends are brought to account as at the last day of registration in respect of listed shares, and when declared in respect of unlisted shares.

1.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less provision made for the impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount provided is the difference between the asset's carrying amount and the estimated recoverable amount, being the present value of expected future cash flows, discounted at the effective rate of interest. The movement in the provision is recognised in the income statement.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call and investments in money market instruments, all of which are available for use by the Company. Bank overdrafts are included within current liabilities on the balance sheet, unless the entity has a legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.7 Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares or options, other than in connection with a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental external costs net of income taxes, is deducted from total shareholders' equity as treasury shares until they are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, are included in shareholders' equity.

1.8 Impairment of non-financial assets

Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognised in the income statement 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 or 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).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date, in the event of which the impairment reversal is credited to the income statement.

1.9 Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

1.9.1 Financial assets

The Company classifies its financial assets in the following categories: financial instruments held at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification is dependent on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition and re-evaluates such designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category consists of financial assets that management designated as held at fair value through profit or loss at inception. Assets in this category are classified as non-current assets unless they are expected to be realised within 12 months of the balance sheet date.

(b) Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. For the accounting policy in respect of trade receivables, please refer to note 1.4.

(c) 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 other categories. They are included in non-current assets unless management has expressed their intention of holding the investment for less than 12 months from the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the Company 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. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial instruments held at fair value through profit or loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss, including interest and dividend income, are included in the income statement in the periods they arise. Loans and other non-current receivables are carried at amortised cost using the effective yield method.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Company's right to receive payments is established.

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 Company 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, making maximum use of market inputs and relying as little as possible on entity-specific inputs. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. The Company assesses at each balance sheet date if 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 an indicator that 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. Impairment testing of trade receivables is described in note 1.4.

Assets are derecognised when the enterprise loses control of contractual rights that comprise the assets and liabilities or when the obligation is extinguished.

1.10 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Company provides for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

1.11 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown, net of indirect taxes, estimated returns and trade discounts.

The main categories of revenue and the bases of recognition are as follows:

– *Interest income:* Revenue is recognised on the time proportion basis with reference to the principal amount receivable and the effective interest rate applicable. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

– *Dividend income:* Dividends are recognised when the right to receive payment is established.

1.12 Dividends

Dividends payable are recorded in the Company's financial statements in the period in which they are approved by the Board of Directors.

1.13 Financial risk management

Financial risk factors

Foreign exchange risk

At balance sheet date the Company was not exposed to any significant foreign exchange risk.

Price risk

The Company was not exposed to commodity price risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed facilities. The Company remains confident that the available cash resources will be sufficient to meet its funding requirements.

Credit risk

At balance sheet date the Company was not exposed to significant credit risk.

Cash flow and fair value interest rate risk

At balance sheet date the Company was not exposed to significant cash flow or interest rate risk.

1.14 Fair value estimation

The nominal value less impairment provision of trade payables and receivables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

1.15 Earnings per share

Earnings per share are calculated using the weighted average number of shares in issue during the year and are based on the net profit attributable to shareholders.

Headline earnings per share are calculated using the weighted average number of shares in issue during the year and are based on the earnings attributable to shareholders, after excluding those items as required by Circular 7/2002 issued by the JSE Limited.

1.16 Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments and interpretations to existing standards have been published that are applicable in future accounting periods but have not been early adopted by the Group:

IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from January 2007.)

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures, in the financial statements of banks and similar financial institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group is currently assessing the impact of IFRS 7 and the amendment of IAS 1. The Group will apply IFRS 7 and the amendment to IAS 1 for financial years beginning 1 July 2007.

IFRS 8, Operating Segments (effective from 1 January 2009)

IFRS 8 specifies how an entity should report information about its operating segments in the annual financial statements. It also sets out requirements for related disclosures about products and services, geographical areas and major customers.

IFRIC 8, Scope of IFRS 2 (effective from 1 May 2006)

IFRIC 8 requires consideration of transactions involving the issuance of equity instruments where the identifiable consideration received is less than the fair value of the equity instruments issued to establish whether or not they fall within the scope of IFRS 2.

IFRIC 10, Interim Financial Reporting and Impairment (effective from 1 November 2006)

IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date.

IFRIC 11, Group and Treasury Share Transactions (effective from 1 March 2007)

IFRIC 11 requires certain share-based payment transactions in which an entity receives services as consideration for its own equity instruments to be accounted as equity settled.

Taking the current status of the Group into account, IFRS 8, IFRIC 8, IFRIC 10 and IFRIC 11 would have no impact on the annual financial statements.

The following standards, amendments and interpretations were effective in the year ended 30 June 2007, but are considered not to be relevant to the Group's operations:

- *IFRIC 4, Determining whether an Arrangement contains a Lease*.
- *IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*.
- *IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*.
- *IFRIC 9, Reassessment of Embedded Derivatives*.
- *IFRIC 12, Service Concession Arrangements*.

EXTRACTS OF LATEST JASCO RESULTS

The salient information set out below has been extracted from the published interim results of Jasco for the six months period ended 31 August 2007 and, has been reviewed by Ernst & Young as disclosed herein:

INTRODUCTION

Earnings per share (EPS) for the six months increased by 40% to 16,9 cents per share (2006: 12,1 cents per share). This follows the solid performances for the previous two full financial years. There were no headline earnings adjustments during this period or the corresponding period last year. Headline earnings per share therefore also increased by 40% to 16,9 cents per share (2006: 12,1 cents per share). These results are unaudited and in line with the trading update issued on 17 September 2007.

RESULTS

Income Statement

The first six months of 2007 saw robust growth in revenue of 42% to R252,9 million (2006: R178,1 million). In line with the group's emphasis on organic growth, 28% of the growth came from volume increases in the existing businesses, whilst 8% was accounted for by the group's three new businesses, T-Components, RapidCloud Technologies and Tasslelane Services. The remaining 6% came from an improvement in selling prices, continuing the trend of strong volume growth established over the previous two financial years.

Operating profit increased by 24% to R16,2 million (2006: R13,0 million). Net profit before taxation grew by 35% to R17,3 million (2006: R12,8 million). This was the result of a solid performance by the group's JV, WebbLeBLANC, where the share of the after tax profits increased to R0,8 million (2006: R0 million), as well as the reversal of net group interest from a cost of R0,2 million to an income of R0,4 million.

The group's calculated tax rate was maintained at 34,7%, which is the average taxation rate expected for the full year. This rate included STC of 12,5% on the dividend relating to the prior year, paid during this period and also took into account the estimation of non-tax deductible expenses.

Breakdown of Operating Results

The operating profit growth of 24% was achieved after the impact of once-off expenses of R1,0 million in the Domestic Products division. These included the expansion of the pool business' distribution network and a reversal of prior year income following a change in the revenue accounting.

Against the strong growth in revenues, operating margins before interest reduced to 6,7% (2006: 7,3%).

Margins were affected by the increased contribution to revenue from the two new telecommunications businesses (RapidCloud Technologies and Tasslelane Services), which was not yet supported by profits, and the once-off expenses outlined above. Excluding these factors, like-for-like margins increased to 7.6% (August 2006: 7.3%)

The elimination of these once-off expenses, the contribution to profits by the new businesses in the Telecommunications division and a further increase in selling prices to counter increasing commodity prices will improve the operating margins during the second half of the year.

Cash Flow and Balance Sheet

Cash generated from operations before working capital increased by 35% to R18,9 million (2006: R14,0 million). Although the substantial increase in revenue necessitated utilisation of cash, the management of working capital remained a focus. The group was able to further reduce the average net working capital days from 29 to 22 at 31 August 2007. The improvement in working capital ratio over the last two years is most satisfying and is comfortably within the target of 30 days going forward.

After payment of dividends (R9,1 million), taxation (R3,6 million) and the investment in fixed assets and investments (R6,8 million) cash on hand decreased to R19,6 million.

The acquisition of RapidCloud Technologies resulted in an increase in intangibles to R45,4 million (2006: R36,6 million). The full purchase price, limited to a maximum of R10 million depending on the achievement of performance objectives, is due in March 2009. A corresponding interest bearing liability has been raised. Should the performance objectives not be achieved, goodwill and the interest bearing liabilities will be adjusted accordingly.

Basis of preparation

The abridged financial statements have been prepared in terms of IFRS and are compliant with IAS 34 – Interim Financial Reporting.

Operational review

The divisions' contribution to group revenue and operating profit is calculated as a percentage of the revenue and operating profit from operating divisions only, as disclosed in the segmental report. In the period under review, revenue from operating divisions was R250,6 million and operating profit R25,9 million. This includes after-tax profit from the WebbLeBLANC JV.

Telecommunications

The Telecommunications division is the largest division in the group with a 58% contribution to revenue from operating divisions (2006: 56%).

This division provides a wide range of solutions, products and services to the access networks of both fixed line and wireless telecommunications network operators through six independent operations: Webb Industries, Tasslelane, which includes Telesciences, Tasslelane Technologies, Tasslelane Services and RapidCloud Technologies, and the group's share in the WebbLeBLANC joint venture. During the period under review, Jasco increased its product offering in this field through the acquisition of RapidCloud Technologies, which specialises in wireless broadband solutions. The group also started Tasslelane Services, which offers technical, installation and maintenance services to the industry.

Telecommunications revenue increased by 46% to R144,5 million (2006: R98,7 million), whilst operating profit grew by 40% to R18,9 million (2006: 13,6 million), contributing 73% (2006: 66%) to operating profit from the divisions. The group benefited from strong growth in GSM roll-outs into Africa, whilst revenue in the Professional Mobile Radio sector also increased. Revenue and profits in the fixed line sector remained stable. The operating margin decreased slightly to 13,1% (2006: 13,7%) due to a shift in mix from the higher-margin fixed line operation to the lower-margin traditional wireless business and the increased contribution to revenue from the new businesses, as explained above.

Domestic Products

The group's Domestic Products division, previously referred to as Manufacturing, consists of two operations, Special Cables and T-Components. The acquisition of T-Components was effective 1 July 2006.

The division specialises in electrical and electronic components and sub-assemblies for the domestic industry. Jasco continues to provide these products into the large domestic appliances industry for products such as stoves and fridges and the automotive and leisure industry. The group is now also entering the smaller appliances industry with products from T-Components. The leisure business includes mainly swimming pool accessories.

Domestic Products' revenue increased by 34% to R70,5 million (2006: R52,7 million), which now represents 28% (2006: 30%) of revenue from operating divisions. The continued growth in this division resulted from the increase in product lines, new customers and the inclusion of the T-Components business unit's results for the full period. Organic growth, excluding T-Components, increased by 23%.

Although revenue increased strongly, operating profit decreased by 3% to R5,7 million (2006: R5,9 million). This represented 22% (2006: 29%) of operating profit from divisions. The decrease was temporary and due to the once-off expenses in the pool business, as described above. Operating margins also came under pressure, as the division absorbed the increase in raw material costs during the first half of the year. However, product selling prices were increased during August 2007 and the group expects to see an improvement in the margins going forward.

Security

The Security division offers electronic security solutions as integrators of stand-alone and integrated closed circuit television networks (CCTV), access control and alarm monitoring systems. The division operates as two stand-alone business units, namely Multivid and Scafell.

As reported in the group's year-end results, this division requires a steady flow of base income to cover the overheads of the infrastructure. Large projects over and above the base income ensure profitability.

The restructuring of the division following the poor results last year is starting to bear fruit. Although the group has not executed any significant projects during the first six months of this year, it was able to build a steady income base that ensured a profit for the period. In addition, this division has secured a number of significant project orders for execution during the next 18 months.

Security revenue increased by 41% to R35,7 million (2006: R25,4 million) and the contribution to revenue from operating divisions remained around 14%. Operating profit increased to R1,3 million, 30% up on the R1 million reported for the corresponding period last year but, more significantly, it showed a turnaround from the loss incurred during the second half last year. The increase in costs incurred to bolster the infrastructure in this division and lack of large projects resulted in a drop in margins to 3,7% (2006: 4,0%).

PROSPECTS

Jasco's strategy to enlarge the group through both organic growth and strategic acquisitions remains in place. The group recognises that it is essential to build critical mass. Whilst it is proving difficult to find appropriate large-scale acquisitions, Jasco nevertheless acquired RapidCloud Technologies and started a new service business, in which the group owns 72%, during the period under review. Both of these business units operate in the Telecommunications sector and enhance Jasco's product offering. Jasco is therefore still committed to a responsible acquisition strategy that will lead to long-term growth in shareholder value. The group has no gearing, which places it in a solid position to capitalise on relevant market opportunities as they arise.

Going forward, Jasco expects expenditure in the wireless telecommunications sector to continue in light of the drive by government to liberalise this sector in South Africa, whilst the roll out of new GSM networks on the African continent also continues to provide strong volume growth opportunities. Expenditure in the fixed line arena is expected to remain flat or even decrease, but the increase in wireless products and services through the new businesses will compensate for any slowdown in this area.

Although the margins in Domestic Products have come under pressure, the group has not seen a decline in the demand for components from manufacturers of domestic appliances and automotive products in the local market, evidenced by the 34% growth in revenue. During the period under review, the integration of the T-Components' factory was completed and the group expects the contribution from this acquisition to further boost profitability and to assist in the improvement of the overall margins during the second half of the year.

As mentioned above, the group has secured large Security projects and contracts from existing and new customers for execution during the next 18 months. The group estimates the value of these contracts to be in excess of R50 million. Together with the base income, this bodes well for the full recovery of this division during the second half of the year.

In the absence of any unforeseen circumstances, management therefore expects further group earnings growth during the second half of the year.

Dividends are paid annually.

SUMMARISED CONSOLIDATED INCOME STATEMENTS

		Note	Unaudited 6 months ended 31 August 2007 R'000	Unaudited 6 months ended 31 August 2006 R'000	Change %	Audited 28 February 2007 R'000
Revenue			**252 871**	**178 075**	**42,0**	**404 255**
Turnover			250 637	176 753	41,8	400 694
Interest received			2 234	1 322		3 561
Operating profit before interest and taxation			**16 159**	**13 025**	**24,1**	**39,588**
Interest received			2 234	1 322	69,0	3 561
Interest paid			(1 853)	(1 553)	19,3	(3 521)
Share of income from joint venture			807	15	5 280,0	126
Net profit before taxation			17 347	12 809	35,4	39 754
Taxation			(5 739)	(4 440)	29,3	(13 570)
Profit for the period/year			**11 608**	**8 369**	**38,7**	**26 184**
Headline earnings			**11 608**	**8 369**	**38,7**	**26 184**
Number of shares in issue	('000)		69 931	69 431		69 931
Treasury shares	('000)		1 392	354		1 126
Number of shares on which earnings per share is calculated	('000)		68 539	69 077		68 805
Number of shares on which diluted earnings per share is calculated	('000)	1	101 773	98 962		98 690
Ratio analysis						
Attributable earnings	(R'000)		11 608	8 369	38,7	26 184
Earnings per share	(cents)		16,9	12,1	39,8	38,1
Diluted earnings per share	(cents)		11,4	8,5	34,9	26,5
Headline earnings per share	(cents)		16,9	12,1	39,8	38,1
Diluted headline earnings per share	(cents)		11,4	8,5	34,9	26,5
EBITDA			**19 620**	**14 587**	**34,5**	**44 125**
Net asset value per share	(cents)		186,8	157,3	18,8	182,6
Net tangible asset value per share	(cents)		120,6	104,4	15,5	129,4
Dividend per share – interim	(cents)		–			–
– final	(cents)		13,0			
Debt : Equity	(%)		–	7	–	1
Interest cover	(times)		–	56,4	(100,0)	–

Note:

1. These shares relate to the company's BEE acquisition of Tasslelane Technologies (Pty) Limited from Community Investment Holdings (Pty) Limited and will only be issued in March 2008, provided certain profit targets have been met.

SUMMARISED CONSOLIDATED BALANCE SHEETS

	Unaudited 31 August 2007 R'000	Unaudited 31 August 2006 R'000	Audited 28 February 2007 R'000
ASSETS			
Non-current assets	**82 061**	**73 342**	**72 652**
Plant and equipment	26 867	21 622	23 562
Investment in joint venture	6 718	5 786	5 911
Intangibles	45 393	36 570	36 570
Deferred tax asset	3 079	7 964	4 643
Loans	4	1 400	1 966
Current assets	**187 713**	**119 062**	**144 415**
Inventories	60 521	35 009	47 551
Trade and other receivables	107 597	70 965	66 791
Cash and cash equivalents	19 595	13 088	30 073
Total assets	**269 774**	**192 404**	**217 067**
EQUITY AND LIABILITIES			
Share capital and reserves	128 065	108 687	125 605
Non-current liabilities	**9 089**	**474**	**1 429**
Interest bearing liabilities	8 790	175	1 130
Non-interest bearing liabilities	299	299	299
Current liabilities	**132 620**	**83 243**	**90 033**
Interest bearing liabilities	–	–	443
Short-term borrowings	125 778	73 210	83 307
Taxation	6 842	10 033	6 283
Total equity and liabilities	**269 774**	**192 404**	**217 067**

STATEMENTS OF CHANGES IN EQUITY

	Unaudited 6 months ended 31 August 2007 R'000	Unaudited 6 months ended 31 August 2006 R'000	Audited 28 February 2007 R'000
Opening balance	**125 605**	**106 944**	**106 944**
Issue of share capital	–	–	1 486
Treasury shares – Share Incentive Trust	(57)	(414)	(2 785)
Share-based payment reserve	–	–	25
Dividends paid	(9 091)	(6 212)	(6 249)
Profit for the period/year	11 608	8 369	26 184
Closing balance	**128 065**	**108 687**	**125 605**

SUMMARISED CONSOLIDATED CASH FLOW STATEMENTS

	Unaudited 6 months ended 31 August 2007 R'000	Unaudited 6 months ended 31 August 2006 R'000	Audited 28 February 2007 R'000
Cash flow from operations before working capital changes	18 914	14 011	43 458
Working capital changes	(11 766)	790	3 788
Net financing (costs)/income	381	(231)	40
Net taxation paid	(3 616)	(943)	(10 503)
Dividends paid	(9 073)	(6 198)	(6 249)
Cash flow from operating activities	(5 160)	7 429	30 534
Cash flow from investing activities	(6 832)	(7 586)	(13 729)
Cash flow from financing activities	1 514	(1 436)	(1 367)
(Decrease)/Increase in cash resources	(10 478)	(1 593)	15 438

SUMMARISED SEGMENTAL REPORTS

for the six months ended 31 August 2007, 31 August 2006 and the year ended 28 February 2007

	Telecoms R'000	Domestic products R'000	Security R'000	Sub-total operating divisions R'000	Other R'000	Total R'000
31 August 2007 (Unaudited)						
Revenue	144 464	70 487	35 686	250 637	2 234	252 871
Operating profit*	18 920	5 667	1 319	25 906	(8 940)	16 966
31 August 2006 (Unaudited)						
Revenue	98 692	52 653	25 408	176 753	1 322	178 075
Operating profit*	13 567	5 862	1 017	20 446	(7 406)	13 040
28 February 2007 (Audited)						
Revenue	235 669	114 859	51 522	402 050	2 205	404 255
Operating profit*	39 911	13 117	142	53 170	(13 456)	39 714

* The divisional operating profit includes the income from the joint venture, but excludes interest paid or received and is stated before making adjustments for inter-group interest and administration fees.

REPORT OF HISTORIC FINANCIAL INFORMATION AND OTHER RELEVANT INFORMATION OF JASCO

Below is an extract of the annual financial statements of Jasco for the years ended 28 February 2007, 28 February 2006 and 28 February 2005, the accounting policies thereof and selected relevant information for Jasco as required per the Listings Requirements:

1. BASIS OF PREPARATION

1.1 The balance sheets, income statements, statements of changes in equity, cash flow statements and notes of Jasco for the three financial years ended 28 February 2007, 28 February 2006 and 28 February 2005 have been extracted, without adjustment, from the annual financial statements of Jasco and are the responsibility of the directors of Jasco.

1.2 The annual financial statements of Jasco were audited by Ernst & Young Inc. and were reported on without qualification.

2. DIRECTORS' COMMENTARY

2007

Revenue increased by 20,9% to R404,3 million. The 2007 revenue excludes revenue from the group's Mast and Towers business unit, which now forms part of the WebbLeBLANC joint venture and is equity accounted. Like-for-like growth in revenue was therefore 27,8%. The strong top-line growth underlines the success of the organic growth strategy implemented in the group a few years ago, with compounded growth over the last two years of 26,5%. As in the previous year, the majority of the growth came from an increase in volumes, with only approximately 6% of this growth attributable to an improvement in selling prices.

The increased contribution from the higher margin telecommunications division and the overall increase in volumes resulted in operating margin before interest from 8,5% to 9,9% falling just shy of the group's target of 10%. However, these results include a once-off expense of R1,4 million in the first half spent on a detailed due diligence process relating to the possible acquisition of a substantial business that would have almost doubled Jasco's size, converted the group into an unconditionally black owned entity and broadened its customer base and product range. Following the investigation, the Jasco board found that the value/reward ratio was not acceptable and that the transaction would not be in the best interest of shareholders. The operating margin, excluding this expenditure, exceeds the 10% target.

Net profit before interest grew by 40,9%, whilst net profit before taxation grew by 45,5% to R39,8 million, assisted by the elimination of interest paid. After providing for taxation and income from the WebbLeBLANC joint venture, earnings per share increased by 45,4% to 38,1 cents per share.

The higher levels of profitability improved the net tangible asset value per share to 129,4 cents per share, 27,5% up on the 101,5 cents reported on in 2006.

Jasco continued its higher levels of cash generation from profits ending the year with a cash balance of R30,1 million at 28 February 2007. During the year under review the group generated cash of R47,2 million from operations, amounting to 119,2% of operating profit before interest.

The strong cash generation is also reflected in the decrease in average net working capital days to 29 days (2006: 37 days). These improvements resulted form a focused drive to improve working capital levels at the end of last year. The effort was further assisted by the exclusion of the Mast and Towers business unit, now equity accounted from this year's results. These low levels allowed management to revise their target net working capital days from 45 to 35, which the group believes is sustainable through continued management effort.

The Telecommunications and Domestic Products divisions continued to contribute strongly to the increase in revenue and profits.

The group acquired the T-Components business with effect from 1 July 2006 for a cash consideration of R5 million and is reported in the Domestic Products/Manufacturing division. T-Components specializes in the pressing of steel and metal components for application in the electrical sector and the manufacture of a range of electrical plugs. T-Components supplement Special Cable's wire products.

The Security division reported a decrease in revenue and operating profits. The traditional business model in this division has been to secure sufficient annuity-based type income to cover the overheads and to secure a number of larger projects to provide the profits. During the year under review, this division's project income was less than 10% of revenue, preventing profitable trade. The management team of the division was restructured and a new CEO was appointed. The new CEO focused on working capital management and administrative controls, implemented an incentive scheme and strengthened the sales and operational teams. These efforts have started to bear fruit with the securing of projects in excess of R20 million subsequent to year-end. Jasco is confident that the business will be profitable in the new financial year, as the annuity base is in place, the management team is incentivised, the operational structures are in place and project income has been secured.

2006

In line with Jasco's stated strategy of continuously increasing organic growth, it is pleasing to report a 31% increase in revenue. 2,5% of this growth came from an improvement in selling prices, whilst 28,5% came from an increase in volumes. Increased efficiencies resulted in an improvement in operating margin before interest paid from 8,8% to 9,1% this year, whilst net profit before taxation grew by 61,2% to R27,3 million.

After providing for taxation, together with the impact of lower interest paid, headline earnings per share increased by 70% to 27,7 cents per share.

The higher levels of profitability improved the net tangible asset value per share by 16,4 cents per share on the prior year to 100,8 cents. This represents an increase of 19,4%.

The group continued to generate cash from operations. Despite funding the share increase in organic growth, cash generated from operations as a percentage of operating profit before net financing costs was 83,2%, which is in line with our internal target of 85%. Working capital reflects an increase in inventories to optimal levels as a result of the higher revenue.

The R23,4 million cash generated from the operations was utilized to pay dividends of R4,2 million, taxation of R1,1 million, and R2,7 million investment to improve annuity based income in the Security division and an investment in infrastructure of R4,3 million. The majority of the infrastructure spend was incurred in additions and refurbishing in Webb Industries and Special Cables to improve the efficiencies and increase the capacity of their manufacturing assets. After the repayment of non-current debt of R0,9 million, cash resources increased by R9,4 million to R14,7 million, compared to cash on hand of R5,3 million at the end of the corresponding year.

All three divisions continued to grow and improve operating results.

The revenue from the traditional Mast and Towers business that historically contributed approximately 20% of Webb Industries business unit, suffered from the impact of the strong Rand and rising local steel prices. To ensure that we can continue to profitably offer the Mast and Towers product range to our customer base, we have concluded a strategic partnership with LeBLANC Communications to merge our Mast and Towers business with their telecommunication tower operation. The cost saving benefit from the sourcing of steel by the combined operation will improve margins and the merged business will also be able to offer our clients and expanded range of products.

2005

The results for the financial year ended 28 February 2005, reflect the ongoing turnaround in Jasco's profitability. All three operating divisions continued to show progress and earnings increased due to an improvement in operating efficiencies.

Telecommunications benefited from better trading conditions, Jasco's industry expertise and empowerment credentials, while Manufacturing's output grew as a result of buoyant consumer demand. The Security division doubled its profit, albeit off a low base, following the refocusing of its business to enable improved client delivery.

The increase in EBITDA margin to 9,8% (2004: 5,1%) and lower interest charges resulted in a significant increase in operating profit to R11,9 million (2004: R0,14 million). Sound working capital management turned these profits into cash. The result was the elimination of debt and an improvement in the balance sheet and net asset value.

3. BALANCE SHEETS

	Notes	2007 R'000	2006 R'000	2005 R'000
ASSETS				
Non-current assets		**72 652**	**62 410**	**62 286**
Plant and equipment	8.7	23 562	17 441	17 605
Investment in joint venture	8.8	5 911	–	–
Goodwill	8.9	36 570	36 570	34 480
Deferred income tax asset	8.10	4 643	8 395	10 016
Loans	8.11	1 966	4	185
Current assets		**144 415**	**111 753**	**74 537**
Inventories	8.12	47 551	41 202	25 571
Trade and other receivables	8.13	66 608	55 745	43 681
Foreign currency contracts		183	126	–
Cash and cash equivalents	8.14	30 073	14 680	5 285
Total assets		**217 067**	**174 163**	**136 823**
EQUITY AND LIABILITIES				
Shareholders' funds		**125 605**	**106 944**	**92 871**
Share capital	8.15.2	998	993	993
Share premium		86 310	84 829	85 129
Treasury shares	8.15.3	(3 334)	(549)	(465)
Non-distributable reserves	8.16	859	834	348
Retained profit		40 772	20 837	6 866
Non-current liabilities		**1 429**	**1 497**	**1 976**
Interest bearing liabilities	8.17	1 130	1 198	1 677
Non-interest bearing liability	8.18	299	299	299
Current liabilities		**90 033**	**65 722**	**41 976**
Trade and other payables	8.19	68 865	48 211	33 227
Provisions	8.20	14 389	9 982	7 462
Foreign currency contracts		53	220	188
Taxation		6 283	6 968	557
Short-term borrowings	8.21	443	341	542
Total equity and liabilities		**217 067**	**174 163**	**136 823**

4. INCOME STATEMENTS

	Notes	2007 R'000	2006 R'000	2005 R'000
Revenue		**404 255**	334 402	254 782
Interest received		**3 561**	2 233	2 208
Turnover	8.3	**400 694**	332 169	252 574
Sale of goods		**388 380**	316 898	242 526
Rendering of services		**6 534**	10 626	5 920
Rental income		**5 780**	4 645	4 128
Cost of sales	8.12	**(261 886)**	(216 084)	(161 075)
Profit before other income and expenses		**142 369**	118 318	93 707
Other income		**13 335**	4 672	5 225
Selling and distribution costs		**(1 045)**	(696)	(624)
Administrative expenses		**(74 716)**	(66 373)	(54 687)
Other expenses		**(36 794)**	(25 582)	(21 105)
Profit from operations before taxation and finance costs		**43 149**	30 339	22 516
Finance costs		**(3 521)**	(3 025)	(5 580)
Share of income from joint venture	8.8	**126**	–	–
Profit before taxation	8.4	**39 754**	27 314	16 936
Taxation	8.5	**(13 570)**	(9 177)	(5 648)
		26 184	18 137	11 288
Earnings per ordinary share (cents)				
– basic	8.6	**38,1**	26,2	16,3
– diluted	8.6.1	**26,5**	18,3	11,4

5. STATEMENTS OF CHANGES IN EQUITY

	Notes	Share capital R'000	Share premium R'000	Treasury shares R'000	Non-distributable reserves R'000	Retained (Loss)/ Profit R'000	Total R'000
Group							
Balance as at 29 February 2004		**993**	**85 129**	**–**	**404**	**(4 422)**	**82 104**
Treasury shares – Share Incentive Trust	8.15.3	–	–	(465)	–	–	(465)
Loss on translation of foreign subsidiary		–	–	–	(93)	–	(93)
Share-based payment reserve	8.15.4	–	–	–	37	–	37
Profit for the year		–	–	–	–	11 288	11 288
Balance as at 28 February 2005		**993**	**85 129**	**(465)**	**348**	**6 866**	**92 871**
Repayment of share premium		–	(300)	–	–	–	(300)
Treasury shares – Share Incentive Trust	8.15.3	–	–	(84)	–	–	(84)
Loss on translation of foreign subsidiary		–	–	–	(6)	–	(6)
Reversal of currency translation reserve		–	–	–	436	–	436
Share-based payment reserve	8.15.4	–	–	–	56	–	56
Dividends paid	8.29	–	–	–	–	(4 166)	(4 166)
Profit for the year		–	–	–	–	18 137	18 137
Balance as at 28 February 2006		**993**	**84 829**	**(549)**	**834**	**20 837**	**106 944**
Issue of share capital	8.15.2	5	1 481	–	–	–	1 486
Treasury shares – Share Incentive Trust	8.15.3	–	–	(2 785)	–	–	(2 785)
Share-based payment reserve	8.15.4	–	–	–	25	–	25
Dividends paid	8.29	–	–	–	–	(6 249)	(6 249)
Profit for the year		–	–	–	–	26 184	26 184
Balance as at 28 February 2007		**998**	**86 310**	**(3 334)**	**859**	**40 772**	**125 605**

6. CASH FLOW STATEMENTS

	Notes	2007 R'000	2006 R'000	2005 R'000
Cash flows from operating activities				
Cash receipts from customers		**390 294**	309 907	257 799
Cash paid to suppliers and employees		**(343 048)**	(286 534)	(231 381)
Cash generated by operations	CF1	**47 246**	23 373	26 418
Interest received		**3 561**	2 233	2 208
Interest paid		**(3 521)**	(3 025)	(5 580)
Taxation paid	CF2	**(9 722)**	(875)	–
STC paid		**(781)**	(270)	–
Dividends paid	CF3	**(6 249)**	(4 166)	–
Net cash inflow from operating activities		**30 534**	17 270	23 046
Cash flows from investing activities				
Acquisition of business operation	CF4	**(5 910)**	–	–
Contract purchased		**–**	(2 700)	–
Proceeds on disposal of business operation	CF5	**5 785**	–	–
Non-current debtor loans (granted)/repaid		**(1 962)**	181	2 051
Investment in associate		**(5 785)**	–	–
Purchase of plant and equipment		**(5 986)**	(4 767)	(5 339)
Replacement of plant and equipment	CF6	**(1 829)**	(1 948)	(1 492)
Additions to plant and equipment	CF7	**(4 157)**	(2 819)	(3 847)
Proceeds on disposal of plant and equipment		**129**	274	157
Net cash outflow from investing activities		**(13 729)**	(7 012)	(3 131)
Cash flows from financing activities				
Repayment of share premium		**–**	(300)	–
Issue of share capital		**1 486**	–	–
Cash flows from treasury shares		**(2 785)**	(84)	(174)
Non-current loans (repaid)/granted		**(68)**	(479)	588
Net cash (outflow)/inflow from financing activities		**(1 367)**	(863)	414
Net increase in cash and cash equivalents		**15 438**	9 395	20 329
Cash and cash equivalents at beginning of year		**14 680**	5 285	(14 481)
Revaluation of foreign cash balances		**(45)**	–	(563)
Cash and cash equivalents at end of year		**30 073**	14 680	5 285

BELOW IS AN EXTRACT OF JASCO'S ACCOUNTING POLICIES:

"8. NOTES TO THE HISTORIC FINANCIAL INFORMATION

8.1 Corporate information

Jasco Electronics Holdings Limited is a company incorporated in the Republic of South Africa. The company's shares are publicly traded.

8.2 Accounting policies

The principal accounting policies applied in the preparation of the historic financial information are set out below. These policies comply with IFRS and have been consistently applied to all the years presented.

8.2.1 Basis of preparation

The historic financial information has been prepared on a historic cost basis modified for the restatement of certain financial instruments carried at fair value. The historic financial information is presented in Rands and are rounded to the nearest thousand, except where otherwise indicated.

8.2.2 Statement of compliance

The historic financial information of Jasco Electronics Holdings Limited and all its subsidiaries have been prepared in accordance with IFRS and the requirements of the South African Companies Act.

8.2.3 Basis of consolidation

8.2.3.1 Investment in subsidiaries

The historic financial information include those of the company and its subsidiaries. The results of any subsidiaries acquired or disposed of during the year are included from the dates effective control was acquired and up to the dates effective control ceased.

At the date of acquisition of a subsidiary, the cost of the investment is allocated to the fair value of individual identifiable assets, liabilities and contingent liabilities of the subsidiary on the same accounting basis as those adopted by the group.

Any remaining difference between the purchase price of shares in subsidiaries and net asset value is recognised as goodwill.

The carrying value of subsidiaries is compared to their attributable net asset value or market value. At each balance sheet date, the group assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. Where carrying values exceed the estimated recoverable amount, investments in subsidiaries are written down to their recoverable amount. The holding company carries its subsidiaries at cost less impairment.

All inter-company balances and transactions have been eliminated in full.

8.2.3.2 Investment in associate

The group's investment in an associate is accounted for under the equity method of accounting. This is an entity in which the group has significant influence and which is neither a subsidiary nor a joint venture of the group. The investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associate, less any impairment in value. The income statement reflects the group's share of the results of operations of the associate.

8.2.3.3 Treasury shares

Shares in Jasco Electronics Holdings Limited held by the Jasco Employee Share Incentive Trust that are not allocated to employees, are classified in shareholders' funds as treasury shares. These shares are treated as a deduction from the issued and weighted number of shares and the cost price of the shares is deducted from share capital and premium in the balance sheet. Dividends received on treasury shares are eliminated on consolidation.

8.2.4 Significant accounting judgement and estimates

The preparation of the historic financial information requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Although these estimates are based on management's best knowledge of current events and actions that the group may undertake in the future, actual results ultimately may differ from those estimates.

The presentation of the results of operations, financial position and cash flows in the financial statements of the group is dependent upon and sensitive to the accounting policies, assumptions and estimates that are used as a basis for the preparation of these historic financial information. Management has made certain judgements in the process of applying the group's accounting policies. These, together with the key assumptions concerning the future, and other key sources of the estimation uncertainty at the balance sheet date, are discussed below:

8.2.4.1 Plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of changes in technology, customer service requirements, availability of capital funding and required return on assets and equity to determine the optimum useful life expectation of each individual item of plant and equipment. The estimation of residual values of assets is also based on management's judgement of whether the assets will be sold and what their condition will be at that time.

8.2.4.2 Determination of impairment of plant and equipment

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Where impairment indicators exist, the determination of the recoverable amount requires management to make assumptions to determine the fair value less costs to sell or value in use. Key assumptions on which management has based its determination of value in use include projected revenues, gross margins, average revenue per unit, earnings multiple, capital expenditure, expected customer bases and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of any impairment.

8.2.4.3 Financial assets

At each balance sheet date, management assesses whether there are indicators of impairment of financial assets. If such evidence exists, the estimated present value of the future cash flows of that asset is determined. Management's judgement is required when determining the expected future cash flows.

8.2.4.4 Impairment of receivables

Impairment is raised for estimated losses on trade receivables that are deemed to contain a collection risk. The impairment is based on an assessment of the extent to which customers have defaulted on payments already due and an assessment of their ability to make payments based on creditworthiness and historic write offs experienced. Should the financial condition of the customers change, actual write offs could differ significantly from the impairment.

8.2.4.5 Taxation

Management's judgement is exercised when determining the probability of future taxable profits, which will determine whether deferred tax assets should be recognised or derecognised. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income, taking into account any legal restrictions on the length and nature of the taxation asset. When deciding whether to recognise unutilised taxation credits, management needs to determine the extent to which future payments are likely to be available for set off. In the event that the assessment of future payments and future utilisation changes, the change in the recognised deferred taxation is recognised in profit or loss.

8.2.4.6 Employee benefits

The group operates an equity-settled share-based compensation plan. The related expense and reserve are determined through an actuarial valuation, which relies heavily on assumptions as disclosed in note 15.4. The assumptions include employee turnover percentages and whether specified performance criteria will be met. The assumptions could affect the fair value of the shares and compensation expense as calculated by the actuary.

8.2.5 Foreign currency transactions

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Foreign currency gains and losses are charged to the income statement.

The financial statements of foreign subsidiaries are translated for incorporation into the group historic financial information on the following basis:

- Assets and liabilities at the rate ruling at the balance sheet date.
- The income statement at a weighted average rate for the year.
- Exchange rate differences arising on the translation are taken directly to equity.

On disposal or deregistration of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

8.2.6 Deferred taxation

Deferred taxation is provided, using a balance sheet liability method, on all temporary differences at the balance sheet date between the carrying amounts for financial reporting purposes and their tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the income tax asset to be utilised. Deferred taxation is calculated using taxation rates that have been substantively enacted at balance sheet date. The effect on deferred taxation of any changes in taxation rates is charged to the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

8.2.7 Borrowing costs

Borrowing costs are recognised as an expense when incurred.

8.2.8 Employee benefits

8.2.8.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount that the group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

8.2.8.2 Retirement benefits

The group contributes to defined contribution funds.

Contributions to defined contribution funds are charged against income when incurred.

8.2.8.3 Share-based compensation

The group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the shares granted is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to become exercisable. This recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity over the remaining vesting period. At each balance sheet date, the entity revises its estimates of the number of shares that is expected to become exercisable.

8.2.9 Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Transactions are classified as contingent liabilities where the group's obligations depend on uncertain future events and principally consist of third-party obligations.

Items are classified as commitments where the group commits itself to future transactions or if the items will result in the acquisition of assets.

8.2.10 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value.

Initial and subsequent costs are included in the asset's carrying amount or are 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 are charged to the income statement during the financial period in which they are incurred.

All plant and equipment are depreciated from the date it is available for use, on a straight-line basis, to allocate their cost to their residual value over their estimated useful life. Depreciation ceases at the earlier of either the date the asset is classified for sale or the date the asset is derecognised.

Average rates used are:

Plant and machinery	10% – 20%	Motor vehicles	25%
Hi sites	10% – 20%	Leasehold improvements	20%
Furniture and office equipment	10% – 33,3%	Leased furniture and office equipment	10% – 33,3%

Residual values, useful lives and the depreciation method of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

When a decision is taken to dispose of an asset and the requirements of IFRS 5 have been met, the asset is carried at the lower of its carrying amount less costs to sell and depreciation on that asset ceases until it is sold. Any impairment is recognised directly in profit and loss.

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

8.2.11 Impairment of assets

The carrying amounts of the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. An impairment indicator is where there has been a change in events or circumstances that indicates that the carrying amount may not be recoverable.

The recoverable amount is the higher of the asset's net selling price and its value in use. The value in use is determined as the present value of the future cash flows expected to be derived from the assets.

8.2.12 Inventories

Inventories, being components, finished goods and merchandise, are valued at the lower of cost, determined on the weighted average basis, and net realisable value. The cost of finished goods includes a proportion of overhead expenses as well as direct costs.

Allowance is made for slow-moving and obsolete inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

8.2.13 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. If an arrangement is determined to be, or contains a lease, then the normal policies with regards to lease classification and measurement apply.

Leases, whereby substantially all the risks and rewards of ownership are transferred to the group, are classified as finance leases. All other leases are classified as operating leases.

Leases of land and buildings are separately assessed for classification purposes.

8.2.13.1 Operating leases

The group leases certain premises and office equipment under operating leases. The lease charges are charged against income on a straight-line basis over the period of the lease.

Operating lease income is derived from rental agreements with customers utilising the group's network of hi sites.

8.2.13.2 Instalment sale and finance lease agreements

The group has entered into instalment sale transactions and finance lease agreements to finance the acquisition of certain assets. Assets acquired in terms of these transactions are capitalised at the lower of its fair value and the present value of the minimum lease payments and depreciated over the estimated useful life of the asset.

The capital element of the future obligations under these transactions is included in interest bearing liabilities in the balance sheet.

Finance charges payable are expensed according to the actual amount incurred and are included in finance costs.

The capital repayment reduces the recorded liability to the lessor.

8.2.14 Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets of a subsidiary or asset at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

8.2.15 Research and development

Research and development costs are recognised as an expense when incurred, except for those development costs which relate to specific projects where the costs are likely to be recovered from selling the products arising from the projects. In this case, the expenditure is deferred and amortised over the period of expected future sales from the related project.

8.2.16 Financial instruments

8.2.16.1 Initial recognition

Financial instruments are initially recognised at fair value, on the transaction date, including transaction costs. The transaction date is the date that the group becomes party to the contractual provisions of the instruments. Subsequent to initial recognition, these instruments are measured as set out below.

8.2.16.2 Subsequent measurement

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at amortised cost less any impairment. An estimate for any impairment in value is made when there is an indication that the collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are carried at amortised cost.

Loans receivable

Non-derivative financial assets are recognised at amortised cost, using the effective interest rate method.

Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Loans payable

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments.

Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Derivative instruments

Derivative instruments comprise foreign currency contracts and are used by the group to hedge its risks associated with currency fluctuations.

Derivative instruments are held for trading and carried at fair value through profit and loss, and are measured at fair value.

The fair value of foreign currency contracts is calculated through reference to the current forward exchange rates with similar maturity profiles.

Any gains or losses arising from the changes in fair value are taken directly to the income statement.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss in the period in which the change arises.

8.2.16.3 Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

8.2.16.4 Derecognition

The derecognition of a financial instrument occurs when the group no longer controls the contractual rights or the obligation has been extinguished, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

8.2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits together with any highly liquid investments readily convertible to known amounts of cash. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

8.2.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership have passed to the buyer.

Revenue from services is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction.

Rental income is derived from operating leases and is recognised on a straight-line basis over the period of each lease.

Contracting revenue comprises the value of work done, based on the stage of completion. The stage of completion is measured by reference to the expenses incurred to date as a percentage of total estimated expenses for each contract. Expected contract losses are recognised in the income statement when identified.

Interest is recognised as the interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

8.2.19 Segmental information

The group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The principal segments of the group have been identified on the basis of trading activities. The basis is representative of the internal structure for management purposes and the source and nature of business risks and returns are segmented on the same basis.

Segmental revenue includes sales to third parties, as well as arm's length inter-segmental revenue recorded at fair value.

Segmental operating profits exclude interest paid or received and are stated before inter-segmental charges for interest and administration services between group companies.

8.2.20 Statement and interpretations issued and not yet effective

Standard or interpretations

Number	Name	Effective date*	Effect on group
IFRS 7	Financial Instruments: Disclosures	1 January 2007	Additional disclosure required
IFRS 8	Operating Segments	1 January 2007	Additional disclosure required
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	1 March 2006	Not applicable
IFRIC 8	Scope of IFRS 2	1 May 2006	Effect being investigated
IFRIC 9	Reassessment of Embedded Derivatives	1 June 2006	No likely effect
IFRIC 10	Interim Reporting and Impairment	1 November 2006	Effect being investigated
IFRIC 11	IFRS2 – Group and Treasury Share Transactions	1 March 2007	Additional disclosure required
IFRIC 12	Service Concession Arrangements	1 January 2008	Not applicable
IAS 23	Borrowing Costs	1 January 2009	Effect being investigated

8.2.21 Amendments issued and not yet applicable

Standard or interpretation

Number	Name	Effective date*	Effect on group
IAS 1	IAS 1 Amendment – Capital Disclosures	1 January 2007	Additional disclosure required

* *Annual periods beginning, unless otherwise indicated.*

The group intends to apply these pronouncements as they become effective.

SELECTED RELEVANT INFORMATION FOR JASCO AS REQUIRED PER THE LISTINGS REQUIREMENTS:

			2007 R'000	2006 R'000	2005 R'000
8.7	**Plant and equipment**				
	Plant and machinery				
	Beginning of year	– at cost	**16 818**	15 515	13 333
		– accumulated depreciation	**(7 141)**	(5 935)	(4 455)
		– net book value	**9 677**	9 580	8 878
	Current year movements	– additions	**2 459**	1 840	2 182
		– acquisitions	**5 000**	–	–
		– net disposals	**(217)**	(31)	–
		– depreciation	**(1 994)**	(1 712)	(1 480)
	End of year		**14 925**	9 677	9 580
	Made up as follows	– at cost	**23 705**	16 818	15 515
		– accumulated depreciation	**(8 780)**	(7 141)	(5 935)
		– net book value	**14 925**	9 677	9 580
	Hi sites				
	Beginning of year	– at cost	**7 788**	7 434	6 592
		– accumulated depreciation	**(4 687)**	(4 122)	(3 202)
		– net book value	**3 101**	3 312	3 390
	Current year movements	– additions	**823**	797	840
		– depreciation	**(891)**	(1 008)	(920)
	End of year		**3 033**	3 101	3 312
	Made up as follows	– at cost	**8 611**	7 788	7 434
		– accumulated depreciation	**(5 578)**	(4 687)	(4 122)
		– net book value	**3 033**	3 101	3 312
	Furniture and office equipment				
	Beginning of year	– at cost	**7 343**	7 437	7 917
		– accumulated depreciation	**(5 181)**	(5 469)	(5 204)
		– net book value	**2 162**	1 968	2 713
	Current year movements	– additions	**1 948**	1 396	588
		– transfer in	**44**	–	–
		– net disposals	**(75)**	(17)	(96)
		– depreciation	**(780)**	(1 185)	(1 237)
	End of year		**3 299**	2 162	1 968
	Made up as follows	– at cost	**8 941**	7 343	7 437
		– accumulated depreciation	**(5 642)**	(5 181)	(5 469)
		– net book value	**3 299**	2 162	1 968
	Motor vehicles				
	Beginning of year	– at cost	**1 346**	1 371	1 630
		– accumulated depreciation	**(741)**	(1 162)	(1 338)
		– net book value	**605**	209	292
	Current year movements	– additions	**390**	846	68
		– net disposals	**(106)**	(158)	(39)
		– depreciation	**(196)**	(292)	(112)
	End of year		**693**	605	209

		2007 R'000	2006 R'000	2005 R'000
Motor vehicles (cont.)				
Made up as follows	– at cost	**1 090**	1 346	1 371
	– accumulated depreciation	**(397)**	(741)	(1 162)
	– net book value	**693**	605	209
Leasehold improvements				
Beginning of year	– at cost	**1 200**	1 183	1 000
	– accumulated depreciation	**(599)**	(439)	(296)
	– net book value	**601**	744	704
Current year movements	– additions	**187**	10	186
	– net disposal	**(57)**	–	8
	– depreciation	**(203)**	(153)	(154)
End of year		**528**	601	744
Made up as follows	– at cost	**1 304**	1 200	1 183
	– accumulated depreciation	**(776)**	(599)	(439)
	– net book value	**528**	601	744
Leased furniture and office equipment				
Beginning of year	– at cost	**1 723**	2 703	1 230
	– accumulated depreciation	**(428)**	(911)	(617)
	– net book value	**1 295**	1 792	613
Current year movements	– additions/(net adjustments)	**179**	(122)	1 473
	– transfer out	**(44)**	–	–
	– depreciation	**(346)**	(375)	(294)
End of year		**1 084**	1 295	1 792
Made up as follows	– at cost	**1 828**	1 723	2 703
	– accumulated depreciation	**(744)**	(428)	(911)
	– net book value	**1 084**	1 295	1 792
Total plant and equipment				
Beginning of year	– at cost	**36 218**	35 643	31 702
	– accumulated depreciation	**(18 777)**	(18 038)	(15 112)
	– net book value	**17 441**	17 605	16 590
Current year movements	– additions	**10 986**	4 767	5 339
	– net disposals	**(455)**	(206)	(127)
	– depreciation	**(4 410)**	(4 725)	(4 197)
End of year		**23 562**	17 441	17 605
Made up as follows	– at cost	**45 479**	36 218	35 643
	– accumulated depreciation	**(21 917)**	(18 777)	(18 038)
	– net book value	**23 562**	17 441	17 605

Certain motor vehicles and equipment are secured as per note 8.17.

	2007 R'000	2006 R'000	2005 R'000

8.15 Share capital

8.15.1 Authorised

	2007 R'000	2006 R'000	2005 R'000
100 000 000 ordinary shares of 1 cent each	**1 000**	1 000	1 000
29 884 633 redeemable preference shares of 1 cent each	**299**	299	299
	1 299	1 299	1 299

8.15.2 Issued

	2007 R'000	2006 R'000	2005 R'000
69 931 081 (2006: 69 431 081) ordinary shares of 1 cent each			
Beginning of year	**694**	694	694
Issue of share capital	**5**	–	–
Shares for future issue	**299**	299	299
End of year	**998**	993	993

On 28 February 2007, 500 000 ordinary shares were issued, at a premium of 297 cents before listing expenses, to the Jasco Employee Share Incentive Trust.

During 2004, 20 919 499 shares were issued at an issue price of 145 cents per share to acquire Tasslelane Technologies (Pty) Limited from CIH. In terms of the agreement with CIH, 29 884 633 ordinary shares will be issued to them in 2008, subject to certain profit targets being met. The unissued shares are under the control of the directors until the forthcoming annual general meeting.

8.15.3 Treasury shares

The Jasco Employee Share Incentive Trust owns 1 125 849 (2006: 119 298) (2005: 217 512) unallocated ordinary shares in Jasco Electronics Holdings Limited. These shares are recorded in the balance sheet as treasury shares at cost of R3 334 806 (2006: R549 918) (2005: R465 436).

8.15.4 Share-based payments

The Jasco Employee Share Incentive Trust was formed in 1993 to enable executives of the group to acquire shares in Jasco to provide them with incentives to advance the group's interests. The maximum number of shares and/or options that may be issued may not exceed 5 525 000 shares, being 15% of the issued share capital at the inception of the Trust and all subsequent capitalisation issues. The maximum number allowed for any one person is 2,5% of the issued share capital of the company. In terms of the scheme rules, 50% of shares issued may be traded after two years, 75% after three years and 100% after four years. The shares vest at the beginning of the trading period.

The income statement charge for share-based payments is as follows (refer note 8.4):

	2007 R'000	2006 R'000	2005 R'000
Share Incentive Trust	**25**	56	37

Equity-settled share-based payment transactions are valued at grant date, with the expense being recognised over the vesting period.

Fair values for the Share Incentive Trust are calculated at the date of the grant using the Binomial Model. To test the reasonableness of these results, the Black-Scholes – Merton formula has also been applied.

The key assumptions used in the calculations are detailed below:

	2007	**2006**	**2005**
Exercise price	R0,70	R0,70	R0,70
Share price as at 6 May 2004 (last traded)	R0,76	R0,76	R0,76
Maximum term of grant	5 years	5 years	5 years
Exercise multiple	1,5	1,5	1,5
Volatility	60%	60%	60%
Dividend yield	5%	5%	5%
Interest on loan	9%	9%	9%
Forfeiture rate	3%	3%	3%
Performance expectation	80%	80%	80%
Number of outstanding shares:	**'000**	'000	'000
Beginning of year	**579**	417	–
Shares granted during the year	**–**	–	957
Shares lost through resignation	**(12,5)**	(38)	(65)
Shares lost through performance targets	**–**	–	(475)
Shares vested by rules of scheme	**(217)**	–	–
Shares reinstated	**–**	185	–
Shares vested by agreement and sold	**(145)**	–	–
Additional shares allocated	**–**	15	
End of year	**204,5**	579	417

8.15.4.1 Share appreciation rights – cash settled

Certain key employees have been granted share appreciation rights during the year. Further information is included in note 8.20.

	2007 '000	2006 '000	2005 '000

8.15.5 Jasco Employee Share Incentive Trust

Number of ordinary shares reserved	**5 525**	5 525	5 525
Total number of unforfeited options granted	**245**	245	245
Total number of shares allocated	**941**	1 414	1 765
Beginning of year	**1 414**	1 765	2 108
Net forfeiture/acquisition by/allocation of shares to employees during the year	**(473)**	(351)	(343)
Number of unallocated shares in respect of which options Options and shares have not been granted	**4 339**	3 866	3 515

417 000 shares were allocated effective 6 May 2004 at 70 cents per share. As at 28 February 2007, 376 500 (2006: 579 000) (2005: 417 000) shares remained allocated not yet traded. 50% of these shares may be traded after 5 May 2006, a further 25% after 5 May 2007 and the remaining 25% after 5 May 2008. All of these shares may be traded by the tenth anniversary of the acceptance date.

736 300 shares were allocated effective 1 March 2002 at 60 cents per share. As at 28 February 2007, 132 500 (2006: 311 950) (2005: 488 800) shares remained allocated not yet traded. 50% of these shares may be traded after 29 February 2004, a further 25% after 28 February 2005 and the remaining 25% after 28 February 2006. All of these shares may be traded by the tenth anniversary of the acceptance date.

2 742 800 shares were allocated effective 1 June 2001 at 27 cents per share. As at 28 February 2007, 432 339 (2006: 523 389) (2005: 932 725) shares remained allocated not yet traded. 50% of these shares may be traded after 31 May 2003, a further 25% after 31 May 2004 and the remaining 25% after 31 May 2005. All of these shares may be traded by the tenth anniversary of the acceptance date.

245 000 options were granted on 28 October 1999 at 140 cents per share. 50% of these options were exercisable on 27 October 2001, a further 25% were exercisable after 27 October 2002 and the remaining 25% after 27 October 2003. All these options must be exercised before 27 October 2009."

OTHER INFORMATION RELATING TO JASCO AS EXTRACTED FROM THE JASCO CIRCULAR

1.7.4 Directors' emoluments

Director	Fees for services as a director (R)	Basic salary (R)	Consulting fees (R)	Bonuses and performance related payments[1] (R)	Sums paid by way of expense allowance (R)	Contributions to Defined Contribution Funds (R)	Contributions under any other benefit scheme (R)	Total (R)
P S Chapwanya	82 144	–	–	–	–	–	–	82 144
F E Emary	116 281	–	–	–	–	–	–	116 281
J C Farrant	126 287	–	–	–	–	–	–	126 287
M H Lotz[2]	–	1 094 651	–	500 000	9 121	73 889	72 978	1 750 639
M J Madungandaba	93 333	–	466 000(2)	–	–	–	–	559 333
Dr J M Matsipa	77 006	–	–	–	–	–	–	7 006
Dr A T M Mokgokong	164 231	–	–	–	–	–	–	164 231
W A Prinsloo[2]	–	389 126	–	–	4 673	18 261	33 601	445 661
O Seiphemo[2]	–	95 927	–	–	1 700	4 748	10 803	113 178
Sir C J Sherry	87 012	–	–	–	–	–	–	87 012

Note

(1) Based on the 2006 audited results of Jasco

(2) Paid by Jasco Trading (Pty) Limited

(3) No fees were paid or accrued as payable to a third party *in lieu* of directors' fees

1.7.4.2 There will be no variation in the remuneration receivable by any of the directors as a consequence of the transactions.

1.7.4.3 Jasco has not paid any amounts (whether in cash or in securities), nor given any benefits to any directors or to any company in which directors are directly or indirectly, beneficially interested, or to any partnership, syndicate or other association of which the directors are members, or to any director as an inducement to become a director or otherwise, or for services rendered by directors, or otherwise for services rendered by directors or by the associate company or associate entity in connection with the promotion or formation of Jasco during the preceding three years.

2.3 Material changes

2.3.1 Apart from the original Jasco empowerment transaction and the M-Tec acquisition as set out in paragraph 5.2 of the circular, the only material changes in the business of Jasco during the preceding five years relate to the acquisitions of T-Components in August 2006 and RapidCloud Technologies in April 2007 (as set out in paragraph 3.3 of this circular) and the restructuring of the Masts and Towers business unit in Webb Industries to a 50% owned joint venture during March 2006. The joint venture was formed with LeBLANC International (Singapore) under the name WebbLeBLANC Communications (Pty) Limited.

2.3.2 Save as set out in the trading update released on SENS on 31 March 2008, there have been no material changes in the financial or trading position of Jasco or its subsidiaries since 31 August 2007 until the last practicable date.

2.5 Material loans

2.5.1 No material loans have been made by Jasco or any of its subsidiaries.

2.5.2 Save for a loan from the vendors of RapidCloud Technologies as set out in paragraph 3.3 of this circular (subsequent events), there are no material loans outstanding and owing by Jasco or any of its subsidiaries as at the last practicable date. Jasco is currently renegotiating with the vendors of RapidCloud Technologies to settle the loan early.

2.5.3 Jasco has not made any loans to or for the benefit of any director, manager or associate of any director or manager of Jasco.

2.5.4 No loan capital is currently outstanding.

The NAV and EPS pf Jasco as at 31 August 2007, and as extracted from the Jasco circular dated 30 April 2008, is disclosed below:

	Published (cents)
Earnings per share	16,9
Headline earnings per share	16,9
Diluted earnings per share	11,4
Diluted headline earnings per share	11,4
Net asset value per share	186,8
Net tangible asset value per share	120,6

SUBSIDIARY COMPANIES OF JASCO

	Name and registration number	Date and place of incorporation	Issued share capital	Percentage held by Jasco	Inter-company loan (R'000)	Nature of business	Date of becoming a subsidiary	Directors
1.	Jasco International (Pty) Limited 1981/004843/07	January 1981 Pretoria	4 000 ordinary shares with a par value of 1 cent per share	100%	34	Dormant	9 July 1987	Martin Lotz Warren Prinsloo
2.	Jasco Shelf Co. SASP (Pty) Limited 1983/005809/07	March 1983 Pretoria	500 ordinary shares with a par value of 1 cent per share	100%	nil	Dormant	24 July 1987	Martin Lotz Warren Prinsloo
3.	Jasco Shelf Co. TSC (Pty) Limited 1983/011658/07	March 1983 Pretoria	100 ordinary shares with a par value of 1 cent per share	100%	nil	Dormant	11 August 2003	Martin Lotz Warren Prinsloo
4.	Jasco Trading (Pty) Limited 1981/005693/07	February 1981 Pretoria	4 180 ordinary shares with a par value of 1 cent per share	100%	97 848	The provision of telecommunication, manufacturing of niche products and the offering of security solutions	26 February 1990	Motlatsi Lekhesa Martin Lotz Warren Prinsloo Olgah Seiphemo
5.	Multivid (Pty) Limited 1994/002504/07	January 1994 Pretoria	1 000 ordinary shares with a par value of 1 cent per share	100%	2 448	Dormant	22 June 1994	Martin Lotz Warren Prinsloo
6.	Iningi Investments 108 (Pty) Limited 2007/006169/07	February 2007 Pretoria	100 ordinary shares with a par value of 1 cent per share and 40 000 preference shares with a par value of 0.1 cent	100%	nil	Investment holding company	7 March 2008	Martin Lotz
7.	Plumbago Technologies 53 (Pty) Limited (trading as RapidCloud Technologies) 2007/002882/07	March 2007 Pretoria	100 ordinary shares with a par value of 1 cent per share	100%	nil	Provider of wireless broadband solutions	1 April 2007	Martin Lotz

Name and registration number	Date and place of incorporation	Issued share capital	Percentage held by Jasco	Inter-company loan (R'000)	Nature of business	Date of becoming a subsidiary	Directors
8. Special Cables (Pty) Limited 1979/005185/01	April 1979 Pretoria	4 000 ordinary shares with a par value of 1 cent per share	100%	nil	Dormant	30 July 1979	Martin Lotz Warren Prinsloo
9. Tasslelane Services (Pty) Limited 2006/034233/07	March 2006 Pretoria	100 ordinary shares with a par value of 1 cent per share	72%	nil	The offering of technical, installation and maintenance services to the telecommunications industry	1 March 2007	Charles Koapeng Motlatsi Lekhesa Martin Lotz Warren Prinsloo Vernon Swart Lloyd Watt
10. Tasslelane Technologies (Pty) Limited (formerly known as Tasslelane Investments (Pty) Limited) 2000/021545/07	November 2000 Pretoria	4 000 ordinary shares with a par value of 1 cent per share	100%	(5 900)	The company holds the sole and exclusive right to distribute 3M telecommunication products. The company also sells and services reclosers and is an importer and distributor of such products.	1 March 2003	Charles Koapeng Motlatsi Lekhesa Martin Lotz Warren Prinsloo Olgah Seiphemo Lloyd Watt
11. Telesciences (Pty) Limited 1990/007641/07	March 1990 Pretoria	500 ordinary shares with a par value of 1 cent per share	100%	26 121	The company specialises in the supply, installation and support of telecommunication equipment and management solutions for the access network of telecommunications operators.	1 March 2003	Charles Koapeng Motlatsi Lekhesa Martin Lotz Warren Prinsloo Olgah Seiphemo Lloyd Watt
12. Webb Industries (Pty) Limited 1973/000243/07	June 1973 Pretoria	100 ordinary shares with a par value of 1 cent per share	100%	nil	Dormant	1 October 1982	Martin Lotz Warren Prinsloo
13. Webb Masts & Towers (Pty) Limited 1997/020315/07	June 1997 Pretoria	100 ordinary shares with a par value of 1 cent per share	100%	nil	Dormant	26 November 1997	Martin Lotz Warren Prinsloo

Notes

(1) All subsidiaries are incorporated in South Africa

(2) None of the above companies or businesses or any part thereof is managed by a third party under a contract or arrangement

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF MTEC

"The Directors
Jasco Electronics Holdings Limited
8 Saddle Drive
Woodmead Office Park
Woodmead
2157

25 April 2008

Gentlemen

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE FINANCIAL INFORMATION OF MALESELA TAIHAN ELECTRIC CABLE (PTY) LIMITED

We have audited the historic financial information of Malesela Taihan Electric Cable (Pty) Limited ("MTec") for the three financial years ended 30 June 2007, 30 June 2006 and 30 June 2005 ("the historic financial information"), which is included in Part A of Annexure 1 to the circular to shareholders of Jasco Electronics Holdings Limited ("Jasco") to be issued on or about 30 April 2008 ("the circular"), in connection with the proposed acquisition by Jasco of a 34% economic interest in MTec.

Directors' responsibility

The directors of Jasco are responsible for the compilation, contents and presentation of the circular and for the accuracy of the information, including the historic financial information and any other financial information contained therein. The directors of MTec are responsible for the preparation and fair presentation of the annual financial statements, on which the historic financial information is based, in accordance with International Financial Reporting Standards and South African Statements of Generally Accepted Accounting Principles (as applicable), in the manner required by the Companies Act of South Africa, 1973 (as amended), and the JSE Limited ("JSE") Listings Requirements. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the annual 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.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the historic financial information of MTec for the three financial years ended 30 June 2007, 30 June 2006 and 30 June 2005, which is included in Part A of Annexure 1 to the circular, based on our audit.

We do not accept any responsibility for any report previously given by us on any financial information used in the compilation of the historic financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Scope of the 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 audits to obtain reasonable assurance that the historic financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the historic financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the historic financial information 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 controls. 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 historic financial information.

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

Audit opinion

In our opinion, the historic financial information of MTec presents fairly, in all material respects, the financial position of MTec for the three financial years ended 30 June 2007, 30 June 2006 and 30 June 2005 and of its financial performance and its cash flows for the financial years then ended in accordance with International Financial Reporting Standards for the two financial years ended 30 June 2007 and 30 June 2006 and in accordance with South African Statements of Generally Accepted Accounting Principles for the financial year ended 30 June 2005, in the manner required by the Companies Act of South Africa, 1973 (as amended), and the JSE Listings Requirements.

Consent

We consent to the inclusion of our report and the references thereto, in the form and context in which they appear in the circular. Furthermore, we confirm that we have not withdrawn our consent prior to the issue of the circular.

Yours faithfully,

JCB Incorporated
Registered Auditors
Per: Johan le Roux

No. 1 Orwell Park
2 Orwell Drive
Three Rivers"

REPORTING ACCOUNTANTS' REPORT ON THE INTERIM FINANCIAL INFORMATION OF MTEC

"The Directors
Jasco Electronics Holdings Limited
8 Saddle Drive
Woodmead Office Park
Woodmead
2157

25 April 2008

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORIC FINANCIAL INFORMATION OF MALESELA TAIHAN ELECTRIC CABLE (PTY) LIMITED ("MTEC")

Introduction

At your request and for the purposes of the circular to shareholders of Jasco Electronics Holdings Limited ("Jasco") to be dated on or about 30 April 2008 ("the circular"), we present our report on the historic interim financial information of MTec as set out in Part B of Annexure 1 of the circular ("the historic interim financial information"), in compliance with the Listings Requirements of the JSE Limited ("JSE").

Responsibility

The directors of Jasco are responsible for the compilation, contents and presentation of circular and for the accuracy of the information, including the historic interim financial information and any other financial information contained therein. Our responsibility is to express an opinion on the historic interim financial information of MTec included as Part B of Annexure 1 to the circular.

Scope

We have reviewed the historic interim financial information of MTec for the six-month period ended 31 December 2007.

Basis of review opinion

We conducted our review in accordance with the International Standard on Review Engagements 2410 applicable to the review of financial information. This standard requires that we plan and perform the review to obtain moderate assurance that the historic interim financial information for the six-month period ended 31 December 2007, presented in terms of International Financial Reporting Standards ("IFRS") and IAS 34, is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit of the abovementioned historic interim financial information and, accordingly, we do not express an audit opinion thereon.

Basis for qualified conclusion

As the historical interim financial information was presented without comparative information for the purposes of the disclosures in this circular, the requirements of IAS 34 have not been met.

Opinion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the historic interim financial information of MTec for the six-month period ended 31 December 2007, is not fairly presented, in all material respects, in accordance with IFRS, IAS 34 and the JSE Listings Requirements.

Consent

We have consented to the inclusion of this report, which will form part of the circular to shareholders of Jasco, to be issued on or about 30 April 2008, in the form and context in which it appears.

Yours faithfully,

ERNST & YOUNG INC.
Registered Auditor

Wanderers Office Park
52 Corlett Drive
Illovo 2196"

LIMITED ASSURANCE REPORT FOR MTEC

"The Directors
Jasco Electronics Holdings Limited
8 Saddle Drive
Woodmead Office Park
Woodmead
2191

25 April 2008

Dear Sirs

INDEPENDENT LIMITED ASSURANCE REPORT IN RESPECT OF THE PRESENTATION AND DISCLOSURES OF HISTORICAL FINANCIAL INFORMATION OF MALESELA TAIHAN ELECTRIC CABLE (PROPRIETARY) LIMITED ("MTEC") CONTAINED IN THE SHAREHOLDERS OF JASCO ELECTRONIC HOLDINGS LIMITED ("JASCO"), IN COMPLIANCE WITH SECTION 8 AND SECTIONS 7A AND 7B OF THE LISTINGS REQUIREMENTS OF THE JSE LIMITED AND SCHEDULE 3 OF THE COMPANIES ACT IN SOUTH AFRICA

Introduction

At your request, we have completed our assurance engagement to provide limited assurance regarding the presentation and disclosure of historical financial information of MTec for the years ended 30 June 2005, 2006 and 2007 ("the historical financial information") contained in Part A of Annexure 1 to the circular to shareholders to be dated on or about 30 April 2008 ("the circular") in compliance with the requirements of Section 8 and Sections 7A and 7B of the Listings Requirements of the JSE Limited ("the Listings Requirements") and Schedule 3 of the South African Companies Act, 61 of 1973, as amended ("the Companies Act").

We are not the auditors of MTec and have not performed an audit or a review of the audited annual financial statements of MTec, which were prepared in accordance with International Financial Reporting Standards for the years ended 30 June 2007 and 2006 and South African Standards of Generally Accepted Accounting Practice ("SA GAAP"), on which the report of historical financial information is based. The annual financial statements were audited by JCB Incorporated, who are also for the purposes of the proposed transaction, the reporting accountants with respect to the historical financial information included in the circular ("the MTec reporting accountants"). The annual financial statements were reported on by JCB Incorporated without qualification for each of these years.

Responsibility of the directors and the MTec reporting accountants

The directors of Jasco are responsible for the compilation, contents and preparation of the circular and for the accuracy of the information, including the historical financial information and any other financial information contained therein. The annual financial statements, on which the historical financial information is based, are the responsibility of the directors of MTec. The MTec reporting accountants are responsible for reporting on historical financial information.

Responsibility of the assurance provider

Our responsibility is to report any instances of non-compliance to you and to express our limited assurance conclusion on whether or not the presentation and disclosure requirements of the relevant paragraphs of Section 8 and Sections 7A and 7B of the Listings Requirements and Schedule 3 of the Companies Act have been met in the historical financial information disclosed in Part A of Annexure 1 to the circular.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements, ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information. This standard requires us to comply with ethical requirements and to plan and perform our assurance engagement to obtain limited assurance, expressed below, regarding the subject matter of the engagement.

Procedures performed

Our procedures did not involve an independent examination of the financial information of MTec used to present the historical financial information contained in Part A of Annexure 1 of the circular, and consisted primarily of comparing the Annual Financial Statements to the presentation and disclosure of the historical financial information included in the circular and an examination of the working papers of JCB Incorporated, the auditors of MTec for the years ended 30 June 2005, 2006 and 2007 in order to:

- confirm that the historical financial information agrees to the approved annual financial statements for the financial years ended 30 June 2005, 2006 and 2007;
- assess that the accounting policies applied are in terms of International Financial Reporting Standards and SA GAAP as applicable; and
- assess the overall financial information presented is in terms of Section 8 and Sections 7A and 7B of the Listings Requirements, and Schedule 3 to the Companies Act.

In arriving at our conclusion, we have relied upon financial information prepared and presented by the directors of MTec and Jasco, and other information obtained by the auditors of MTec during the audit process.

Because the above procedures do not constitute either an audit or review performed in accordance with the International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the fair presentation of the historical financial information included in Part A of Annexure 1 of the circular. Had we performed additional procedures, or had we performed an audit or review of the historical financial information included in the circular, other matters might have come to our attention that would have been reported to you.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

We believe our evidence is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the presentation and disclosures of the report of historical financial information, prepared in accordance with International Financial Reporting Standards and SA GAAP (as applicable), included in Part A of Annexure 1 to the circular is not in accordance with Section 8 and Sections 7A and 7B of the Listings Requirements and Schedule 3 of the Companies Act.

ERNST & YOUNG INC.
Registered Auditors

Wanderers Office Park
52 Corlett Drive
Illovo 2196"

REPORT OF HISTORIC FINANCIAL AND RELEVANT INFORMATION OF MTEC

PART A – ANNUAL FINANCIAL INFORMATION OF MTEC FOR THE THREE FINANCIAL YEARS ENDED 30 JUNE 2007, 30 JUNE 2006 AND 30 JUNE 2005

1. BASIS OF PREPARATION

1.1 The balance sheets, income statements, statements of changes in equity, cash flow statements and notes of MTec for the 3 financial years ended 30 June 2007, 30 June 2006 and 30 June 2005 have been extracted, without adjustment, from the audited annual financial statements of MTec and are the responsibility of directors of MTec.

1.2 The historic financial information of MTec, is the responsibility of the directors of Jasco and has been audited and reported on without qualification by JCB Incorporated.

1.3 The historic financial information of MTec should be read in conjunction with the reporting accountants' report thereon as set out in Annexure 2.

2. LACK OF COMPARABILITY OF 2005 INFORMATION

It should be noted that the historic financial information of MTec for the two financial years ended 30 June 2007 and 30 June 2006 has been prepared in accordance with IFRS and for the financial year ended 30 June 2005 in accordance with South African Statements of Generally Accepted Accounting Practice. Shareholders are warned of the potential lack of comparability of the historic financial information and are advised to review the IFRS conversion note 8 in order to obtain a full understanding of any potential differences.

3. DIRECTORS' COMMENTARY

The growth in sales from 2006 to 2007 was driven by an increase of 92% in fibre optic sales, 82% in power cable sales, 79% in aluminium sales and 70% in copper sales. With the exception of fibre optic sales, a large driver behind the increased sales was significant copper and aluminium price increases on the back of worldwide increases in commodity prices.

The increase in fibre optic sales was largely attributable to increased sales to Telkom, which was volume driven, as the sales prices declined in relation to the average raw material prices. Telkom has not accepted any price increases over the last 18 months.

The power cable gross profits increased from 9.1% to 17% as a result of a restructuring process that took place during the course of 2005 and 2006, where more efficiencies were found in the manufacturing process, and price increases were passed on to the customers.

The aluminium gross profits increased by 126% largely due to projects undertaken by Eskom, which are expected to continue in the future. This increase was volume and price driven.

MTec was not able to increase its sales prices at the same rate as the increase in raw material prices, and as a result there was a slight decline in the contribution margins. However, this was offset by a change in the product mix, as there is a higher profit margin on fibre optic sales, which increased dramatically from 2006.

The net profit margins increased, as sales increased at a faster rate than fixed costs. However, it is estimated that the net profit margins will decrease in 2008, largely due to an expected increase in management fees payable, as these were based on a fixed fee rate in the past, and this has been changed to a percentage of sales as from July 2007.

The negative operating cash flow for the 2006 financial year was largely attributable to a significant increase in trade receivables in the copper and power cable divisional trade receivables. The increase in trade receivables was caused by large price increases in copper, and an increase in sales for the power cable division.

The improvement of the operating cash flow for 2007 was caused by an increase in trade payables, as the year end fell on a Saturday, and therefore creditors were not settled before year-end.

The increase in purchases of property, plant and equipment was due to the amounts incurred in the building of the new copper telecom plant, and a reduction in leasing activities.

4. BALANCE SHEETS

	Notes	June 2007 R'000	June 2006 R'000	June 2005 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	10.1	107 453	100 637	105 433
Loans to group companies	10.2	–	1 725	4 997
		107 453	102 362	110 430
Current assets				
Inventories	10.4	117 111	81 718	74 973
Trade and other receivables	10.5	207 585	174 154	87 682
Cash and cash equivalents	10.6	3 456	10	10.127
		328 152	255 882	172 782
Total assets		**435 605**	**358 244**	**283 212**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	10.7	54 639	54 639	54 639
Retained income		183 899	112 698	93 151
		238 538	167 337	147 790
LIABILITIES				
Non-current liabilities				
Loans from group companies	10.2	–	2 955	4 146
Other financial liabilities	10.8	20 000	20 000	20 000
Deferred taxation	10.3	8 963	12 197	12 997
		28 963	35 152	37 143
Current liabilities				
Loans from group companies	10.2	200	–	–
Other financial liabilities	10.8	23 736	60 492	40 701
Current tax payable		6 163	6 934	3 850
Trade and other payables	10.9	137 933	75 002	53 728
Provisions	10.10	72	–	–
Bank overdraft	10.6	–	13 328	–
		168 104	155 755	98 279
Total liabilities		197 067	190 907	135 422
Total equity and liabilities		**435 605**	**358 244**	**283 212**

5. INCOME STATEMENTS

	Notes	June 2007 R'000	June 2006 R'000	June 2005 R'000
Revenue	10.11	**1 041 806**	**595 519**	**510 443**
Cost of sales		(856 797)	(495 762)	(436 397)
Gross profit		**18 5 009**	**99 757**	**74 046**
Other income		3 770	2 100	26 184
Operating expenses		(78 416)	(64 795)	(46 532)
Operating profit	10.12	**110 363**	**37 062**	**53 698**
Investment revenue	10.13	2 118	549	871
Finance costs	10.14	(11 120)	(4 381)	(6 385)
Profit before taxation		**101 360**	**33 230**	**48 184**
Taxation	10.15	(30 159)	(5 950)	(8 926)
Profit for the year		**71 201**	**27 280**	**39 258**

6. CASH FLOW STATEMENTS

	Notes	June 2007 R'000	June 2006 R'000	June 2005 R'000
CASH FLOW FROM OPERATING ACTIVITIES				
Cash generated from/(used in) operations	10.17	116 747	(22 687)	16 765
Interest income		2 118	549	871
Finance costs		(11 120)	(4 381)	(6 385)
Tax paid	10.18	(34 164)	(7 773)	(8 397)
Net cash from operating activities		**73581**	**(34 292)**	**2 854**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	10.1	(18 976)	(5 394)	(3 993)
Sale of property, plant and equipment	10.1	(46)	800	95
Loans to group companies repaid		(1 030)	2 081	(12 782)
Net cash from investing activities		**(20 052)**	**(2 513)**	**(16 680)**
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of loans payable		(36 756)	19 792	11 849
Dividends paid	10.19	–	(6 431)	–
Net cash from financing activities		**(36 756)**	**13 361**	**11 849**
Total cash movement for the year		**16 773**	**(23 444)**	**(1 977)**
Cash at the beginning of the year		(13 317)	10 127	12 104
Total cash at end of the year	10.6	**3 456**	**(13 317)**	**10 127**

7. STATEMENTS OF CHANGES IN EQUITY

	Share capital R	Share premium R'000	Total share capital R'000	Retained income R'000	Total equity R'000
Balance at 1 July 2004	**666**	**54 638**	**54 639**	**53 893**	**108 532**
Profit for the year	–	–	–	39 258	39 258
Balance at 30 June 2005	**666**	**54 638**	**54 639**	**93 151**	**147 790**
Change in accounting policy	(1 302)	(1 302)			
Balance restated at 1 July 2005	**666**	**54 638**	**54 639**	**91 849**	**146 488**
Profit for the year	–	–	–	27 280	27 280
Dividends	–	–	–	(6 431)	(6 431)
Total changes	–	–	–	20 849	20 849
Balance at 1 July 2006	**666**	**54 638**	**54 639**	**112 698**	**167 337**
Profit for the year	–	–	–	71 201	71 201
Balance at 30 June 2007	**666**	**54 638**	**54 639**	**183 899**	**238 538**
Note(s)	10.7	10.7	10.7		

8. CHANGE IN ACCOUNTING POLICY

The company adopted International Financial Reporting Standards with effect from 1 June 2006. As a result of this adoption, the company reassessed the residual values and useful lives of property, plant and equipment. In accordance with IAS 16, "Property, Plant and Equipment".

The effect of the change in accounting policy on the retained income at 30 June 2005 is as follows:

	R'000
As previously reported	93 151
Adjustment under IAS 16	(1 302)
As restated	91 849

9. ACCOUNTING POLICIES

9.1 Presentation of historic financial information

The historic financial information has been prepared in accordance with International Financial Reporting Standards for the 2 financial years ended 30 June 2007 and 30 June 2006 and South African Statements of Generally Accepted Accounting Practice for the financial year ended 30 June 2005 and the Companies Act of South Africa. The historic financial information was prepared on the historic cost basis, except for the measurement of investment properties and certain financial instruments at fair value and incorporate the principal accounting policies set out below.

At the date of publication of the historic financial information, the following standards and interpretations relevant to the company were in issue but not yet effective:

IAS 1 – Presentation of Financial Statements.

IFRS 7 – Financial Instruments: Disclosure.

IFRIC 4 – Determining whether an Arrangement contains a Lease.

IFRIC 8 – Scope of IFRS 2.

The directors are in the process of assessing the likely impact of the adoption of these standards and interpretations in the future periods on the financial information of the company.

These accounting policies are consistent with the previous financial year, except for the changes set out in note 8 above.

9.2 Significant judgements

In preparing the historic financial information, management is required to make estimates and assumptions that affect the amounts represented in the historic financial information and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the historic financial information. Significant judgements include:

Allowance for slow-moving, damaged and obsolete stock

An allowance for stock to write down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

Impairment testing

At each balance sheet date, the carrying amounts of tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. Management takes into account various considerations including future cash flows expected to be generated by the assets under review.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10.10.

Expected manner of realisation for deferred tax

Deferred tax is provided on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Asset useful lives and residual values

Property, plant and equipment are depreciated to their residual values over their expected useful lives. Residual values and asset useful lives are assessed annually based on management's judgement of relevant factors and conditions.

Provisions for trade receivables

The provision against doubtful trade receivables, discount allowed and interest receivable is determined with reference to past experience and knowledge of the debtors.

9.3 Land and buildings

Land and buildings is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the land and buildings will flow to the enterprise, and the cost of the investment property can be reliably measured.

Land and buildings are initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement, land and buildings is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

9.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

– it is probable that future economic benefits associated with the item will flow to the company; and

– the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Plant and equipment	5 – 12 years
Furniture and fittings	6 – 12 years
Motor vehicles	5 – 9 years

The residual value and the useful life of each asset is reviewed at each financial year-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciation is charged so as to write down the cost, less residual value, on a straight line basis over their useful lives.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

9.5 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Loans to/(from) group companies

These include loans to holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Subsequently, these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrevocable amounts.

On loans receivable, an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Available for sale financial instruments

Investments re-recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

These investments are measured initially and subsequently at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

9.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

– a transaction or event which is recognised, in the same or a different period, directly in equity; or
– a business combination.

Current and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

9.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

9.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of inventories is assigned using the first in, first out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

9.9 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of he unit in the following order:

– first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
– then, to the other assets of the unit, *pro rata* on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss is recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than good will is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

9.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

9.11 Provisions and contingencies

Provisions are recognised when:

– the company has a present obligation as a result of a past event;
– it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
– a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and liabilities are not recognised.

9.12 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

– the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
– the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
– the amount of revenue can be measured reliably;
– it is probable that the economic benefits associated with the transaction will flow to the company; and
– the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

9.13 Turnover

Turnover comprises of sales to customers and service rendered to customers. turnover is stated at the invoice amount and is exclusive of value added taxation.

9.14 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

9.15 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

9.16 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historic cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial information are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

10. NOTES TO THE HISTORIC FINANCIAL INFORMATION

10.1 Property, plant and equipment

	2007		
	Cost/ Valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Land and buildings	36 282	–	36 282
Plant and equipment	120 733	(61 947)	58 786
Furniture and fittings	1 123	(517)	606
Motor vehicles	710	(471)	239
Capital work in progress	11 540	–	11 540
Total	**170 388**	**(62 935)**	**107 453**

	2006		
	Cost/ Valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Land and buildings	35 752	–	35 752
Plant and equipment	113 945	(50 168)	63 777
Furniture and fittings	970	(433)	537
Motor vehicles	710	(357)	353
Capital work in progress	218	–	218
Total	**151 595**	**(50958)**	**100 637**

	2005		
	Cost/ Valuation R'000	Accumulated depreciation R'000	Carrying value R'000
Land and buildings	34 500	(1 145)	33 355
Plant and equipment	112 124	(41 695)	70 429
Furniture and fittings	1 170	(863)	308
Motor vehicles	710	(370)	340
Capital work in progress	1 001	–	1 001
Total	**149 506**	**(44 073)**	**105 433**

Reconciliation of property, plant and equipment – 2007

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land and buildings	35 752	530	–	–	35 282
Plant and equipment	63 777	6 832	(21)	(11 802)	58 786
Furniture and fittings	537	292	(96)	(127)	606
Motor vehicles	353	–	–	(114)	239
Capital work in progress	218	11 322	–	–	11 540
	100 637	**18 976**	**(117)**	**(12 043)**	**107 453**

Reconciliation of property, plant and equipment – 2006

	Opening balance R'000	Adjustment under revised IAS R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land and buildings	33 355	–	2 396	–	–	35 752
Plant and equipment	70 429	2 277	2 866	(488)	(11 307)	63 777
Furniture and fittings	308	402	132	(170)	(134)	537
Motor vehicles	340	127	–	–	(114)	353
Capital work in progress	1 001	–	–	(783)	–	218
	105 433	**2 806**	**5 394**	**(1 441)**	**(11 555)**	**100 637**

Reconciliation of property, plant and equipment – 2005

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Revaluations R'000	Depreciation R'000	Total R'000
Land and buildings	8 249	1 598	–	–	23 858	(350)	33 355
Plant and equipment	80 476	1 448	–	80	(223)	(11 352)	70 429
Furniture and fittings	478	–	–	–	–	(170)	308
Motor vehicles	491	155	(5)	(155)	–	(146)	340
Capital work in progress	209	792	–	–	–	–	1 001
	89 903	**3 993**	**(5)**	**(75)**	**23 635**	**(12 018)**	**105 433**

	2007 R'000	2006 R'000	2005 R'000
Details of properties			
Portion 171 of the farm Klipplaatdrift, farm number 601 in the registration area Vereeniging – Kopanong measuring to the extent of 9.135 h. Held by title deed number T30271/2000.			
– Purchase price	3 639	3 639	3 639
– Additions resulting from capitalised subsequent expenditure	9 728	9 198	6 801
– Fair value adjustment	22 915	22 915	22 915
	36 282	**35 752**	**33 355**

The effective date of the valuation was 27 September 2005. The valuations were performed by an independent valuer, Mr M Steele (sworn appraiser) of Steele Estates. Steele Estates is not connected to the company and has recent experience in location and category of the property being valued.

The valuation was based on open market value for existing use. The value-in-use was determined based on rental income of R5 156 172 and operating expenses of R773 425.

	2007 R'000	2006 R'000	2005 R'000
10.2 Loans to/(from) group companies			
Holding company			
Malesela Holdings No. 1 (Pty) Limited	–	1 725	4 997
The loan bears interest at prime interest rates and is repayable by 31 August 2008.			
Taihan Electric Wire Company Limited	(200)	(2 955)	(4 146)
The loan bears no interest and has no fixed terms of repayment			
	(200)	**(1 230)**	**851**
Non-current assets	–	1 725	4 997
Non-current liabilities	–	(2 955)	(4 146)
Current liabilities	(200)	–	–
	(200)	**(1 230)**	**851**
10.3 Deferred tax			
Deferred tax liability			
Accelerated capital allowance for tax purposes	(14 261)	(16 621)	(12 055)
Provision against equity	6 101	4 544	–
Revaluation, net of related depreciation	(803)	(120)	(942)
	(8 963)	**(12 197)**	**(12 997)**
Reconciliation of deferred tax liability:			
At beginning of the year	(12 197)	(17 105)	(10 517)
Originating temporary difference on tangible fixed asset	1 677	2 067	(2 706)
Originating temporary difference on revaluation of investment	–	462	(941)
Provision with acquisition	–	–	53
Provisions disallowed	1 557	2 379	1 114
	(8 963)	**(12 197)**	**(12 997)**
Tax consequences of undistributed reserves: STC on remaining reserves	16 227	8 796	10 350
10.4 Inventories			
Raw materials	55 632	27 300	30 141
Work in progress	35 158	26 325	28 747
Finished goods	30 929	27 714	15 862
Scrap	1 968	2 557	1 120
Other	3 803	2 957	2 211
Sub-total	127 490	86 852	78 081
Inventories (write-downs)	(10 379)	(5 134)	(3 109)
	117 111	**81 718**	**74 973**

In the current and prior years inventories that related to a specific contract were written down to net realisable value, due do the contract expiring and the inventories being contract specific.

	2007 R'000	2006 R'000	2005 R'000

10.5 Trade and other receivables

	2007 R'000	2006 R'000	2005 R'000
Trade receivables	207 100	171 281	83 333
Deposits	10	10	10
Other receivables	475	2 784	4 339
	207 585	**174 154**	**87 682**

Trade and other receivables pledged as security.

Trade and other receivables were pledged as security for the short-term loan granted by ABSA debtors financing of R23 735 970 (2006: R60 492 192; 2005: R40 701 000) of the companies.

10.6 Cash and cash equivalents

	2007 R'000	2006 R'000	2005 R'000
Cash and cash equivalents consist of:			
Cash on hand	9	10	4
Bank balances	3 447	–	10 123
Bank overdraft	–	(13 328)	–
	3 456	**(13 317)**	**10 127**
Current assets	3 456	10	10 127
Current liabilities	–	(13 328)	–
	3 456	**(13 317)**	**10 127**

The bank overdraft was secured as follows:

- Letter of comfort by Taihan Electric Wire Company Limited.
- Unlimited security by Malesela Power and Energy (Pty) limited, excluding cession of loan account.
- Unlimited security by Velvetsky 9 (Proprietary) Limited, supported by security in own name, excluding cession of loan account.
- Reversionary cession of debtors book. First cession held in favour of ABSA debtors financing.
- Unlimited security by Malesela Power and Energy (Pty) Limited, excluding cession of loan account
- Unlimited security by Velvetsky 9 (Pty) Limited, supported by security in own name, excluding cession of loan account.
- Reversionary cession of debtors book. First cession held in favour of Cutfin – a division of Absa Bank Limited.

10.7 Share capital

Authorised

	2007 R'000	2006 R'000	2005 R'000
100 000 ordinary shares of R0.01 each	1 000	1 000	1 000
100 000 preference shares of R0.01 each	1 000	1 000	1 000
	2 000	2 000	2 000

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

Issued

	2007 R'000	2006 R'000	2005 R'000
21 569 ordinary shares of R0.01 each	216	216	216
45 000 preference shares of R0.01 each	450	450	450
Share premium	54 638 334	54 638 334	54 638 334
	54 639 000	54 639 000	54 639 000

The preference shares may be converted into ordinary shares at the option of the holder, namely Taihan Electric Wire Co. Limited, with each preference share to be converted into one ordinary share with a par value of R0.01 provided such conversion may not take place prior to 21 August 2010. The preference shares rank before the ordinary shares in terms of dividends and at the winding up of the company.

The preference dividend is calculated as follows:

$$\frac{\text{Number of preference shares in issue + Number of debentures in issue}}{\text{Number of ordinary shares in issue + number of preference shares in issue + number of debentures in issue}} \times \frac{\text{after tax profits}}{1.125} - \text{interest on debentures}$$

	2007 R'000	2006 R'000	2005 R'000
Dividends paid			
– Ordinary shares	–	1 618	–
– Preference shares	–	4 813	–

10.8 Other financial liabilities

	2007 R'000	2006 R'000	2005 R'000
Absa debtors financing (formerly Cutfin – a division of Absa Bank Limited)	23 736	60 492	40 701

The amount due to Absa debtors financing relates to the factoring of the receivables book of Malesela Taihan Electric Cable (Pty) Limited, which is secured by the securities as listed below.. The effective date of the agreement was 5 December 2006 (2006: 22 September 2000; 2005: and provides Malesela Taihan Electric Cable (Pty) Limited with a facility of 75% of the invoiced value of credit sales. All receipts from these receivables have to be paid over to Cutfin on receipt thereof. The loan bears interest at prime interest rate less 1%. The amount utilised from Cutfin exceeded the amount of debtors receipts paid over to Cutfin for the period up to year-end. The amount is therefore owed to Cutfin.

Debentures	**20 000**	**20 000**	**20 000**

Representing 33 431 convertible debentures of R598.25 each. These debentures, held by Taihan Electric Wire Company Limited, are unsecured, bear interest at 1% per annum and are redeemable at the option of the registered holder thereof on or after 31 August 2010, upon which the debentures will be cancelled. The debentures may be converted, at the option of the debenture holder, to 33 431 fully paid ordinary shares at the earlier of 31 August 2010 or the business day immediately prior to the date of the listing of the company on any stock exchange.

	43 736	**80 492**	**60 701**
Non-current liabilities			
At amortised cost	20 000	20 000	20 000
Current liabilities			
At amortised cost	23 736	60 492	40 701
	43 736	80 492	60 701

The loan from Absa debtors financing has been secured by:

- Purchase and discounting invoices of Malesela Taihan Electric Cable (Pty) Limited, with recourse with reversionary cession in favour of Absa Bank Limited.
- First cession of receivables of Malesela Taihan Electric Cable (Pty) Limited.
- Unlimited surety by Malesela Holdings No. 1 (Pty) Limited.
- Letter of comfort from Taihan Electric Wire Company Limited.
- Fax and e-mail indemnity in respect of offers and draw requests.
- Cession of Lombard Insurance Company Policy CB0605272A.
- Cession of Absa Bank Limited clearing account.
- Cession and delegation agreement in respect of clearing account.

	2007 R'000	2006 R'000	2005 R'000
10.9 Trade and other payables			
Trade payables	57 015	41 975	34 444
VAT	5 088	3 200	240
Accrued leave pay	1 549	1 383	1 667
Accrued bonus	12 704	7 484	2 223
Accrued audit fees	–	253	253
Other accrued expenses	61 577	20 707	14 901
	137 933	**75 002**	**53 728**

10.10 Provisions

Reconciliation of provisions – 2007	Opening balance	Additions	Total
Legal proceedings	–	72	72

The provision was made for a court case which was still pending at year-end for outstanding rates and taxes of a property rented in previous years.

	2007 R'000	2006 R'000	2005 R'000
10.11 Revenue			
Sale of goods	1 041 806	595 519	510 443
10.12 Operating profit			
Operating profit for the year is stated after accounting for the following:			
Fees, other than to employees, for:			
Managerial services	16 222	9 834	9 756
Secretarial services	1	1	–
	16 223	9 835	9 756
(Loss)/Profit on exchange differences	(811)	799	–
Operating lease charges			
Premises			
– Contractual amounts	122	122	–
Motor vehicles			
– Contractual amounts	429	439	219
Equipment			
– Contractual amounts	964	1 402	232
	1 515	1 963	451
(Loss)/Profit on sale of property, plant and equipment	(164)	(641)	90
Depreciation on property, plant and equipment	12 043	11 556	12 017
Employee costs	33 960	26 427	16 460
10.13 Investment revenue			
Interest revenue			
Bank	10	4	41
Loan to Malesela Holdings No. 1 (Pty) Limited	58	414	787
Trade and other receivables	792	131	43
South African Revenue Services interest refunded	1 257	–	–
	2 117	549	871

The loan is unsecured, bears interest at the prime interest rate and is repayable by 31 August 2008. The loan was repaid during the course of the year ended 30 June 2007. The loan is secured as follows:

- cession by Malesela Holdings No. 1 (Pty) Limited to M-Tec of its rights, title and interest in and to its shareholding in M-Tec; and
- cession by Malesela Holdings No. 1 (Pty) Limited to M-Tec of its rights, title and interest in and to 50% of its consultancy fee due by M-Tec.

The inception date of the loan was 29 August 2002 and the purpose of the loan was to enable Malesela Holdings No. 1 (Pty) Limited and M-Tec Holdings (Pty) Limited to discharge their obligations to Capitec Bank Limited in terms of the settlement of certain litigation proceedings. The interest payments were not in arrears.

		2007 R'000	2006 R'000	2005 R'000
10.14	**Finance costs**			
	Debentures	200	200	200
	Group companies	–	–	489
	Non-current borrowings	9 298	4 054	3 276
	Trade and other payables	473	118	60
	Bank	280	9	2
	South African Revenue Services	869	–	2 358
		11 120	4 381	6 385
10.15	**Taxation**			
	Major components of the tax expense			
	Current:			
	Local income tax – current period	33 393	9 298	6 445
	Local income tax – recognised in current tax for prior periods	–	622	–
	STC	–	937	–
		33 393	10 857	6 445
	Deferred			
	Originating and reversing temporary differences	(3 234)	(4 907)	2 481
		30 159	5 950	8 926
	Reconciliation of the tax expense	%	%	%
	Reconciliation between the applicable tax rate and average effective tax rate:			
	Applicable tax rate	29.00	29.00	29.00
	Exempt income	(0.36)	–	–
	Disallowed charges	1.11	1.28	2.65
	STC	–	1.87	–
	Normal tax in respect of previous years	–	2.82	–
	Deferred tax in respect of previous years	–	17.07	(12.92)
	Change in tax rate	–	–	(0.21)
	Average effective tax rate	29.75	17.9	18.52
		R'000	R'000	R'000
10.16	**Auditors' remuneration**			
	Fees	–	200	238
	Tax and secretarial services	–	5	212
		–	206	450

	2007 R'000	2006 R'000	2005 R'000
10.17 Cash generated from/(used in) operations			
Profit before taxation	101 360	33 230	48 184
Adjustments for:			
Depreciation and amortisation	12 043	11 555	12 018
Loss/(Profit) on sale of assets	164	641	(90)
Interest received	(2 117)	(549)	(871)
Finance costs	11 120	4 381	6 385
Movement in forward exchange contracts	–	–	(2 565)
Movements in provisions	72	–	–
Fair value adjustment to property	–	–	(23 858)
Changes in working capital:			
Inventories	(35 394)	(6 745)	6 137
Trade and other receivables	(33 431)	(86 472)	(22 878)
Trade and other payables	62 931	21 274	(5 696)
	116 748	(22 686)	16 766
10.18 Tax (paid)/refunded			
Balance at beginning of the period	(6 934)	(3 850)	(5 803)
Current tax for the period recognised in income statement	(33 393)	(10 857)	(6 445)
Balance at end of the period	6 163	6 933	3 850
	(34 164)	(7 774)	(8 398)
10.19 Dividends paid			
Dividends	–	(6 431)	–

10.20 Subsidiary

Velvetsky Nine (Pty) Limited

Amount of all classes of issued capital
- Authorised 100 ordinary shares of R1,00 each
- Issued 120 ordinary shares of R1,00 each

	2007	2006	2005
Percentage held by company	100	100	100
Voting percentage held	100	100	100
Amount of interest			
– Shares (Rand)	32 617 077	32 239 659	31 857 564
– Indebtedness (Rand)	5 127 130	4 283 005	2 342 138
The company's share of the net profits/(losses) for the period of subsidiaries is as follows:			
Velvetsky Nine (Pty) Limited	(240)	1 226	23 847

There were no changes in the shares held by Velvetsky Nine (Pty) Limited during the three years and there are no rights held by any person enabling such person to vary the voting rights.

10.21 Directors' Emoluments

There were no emoluments paid to directors during the three years.

10.22 Related parties

Relationships	
Holding company	Malesela Holdings No. 1 (Pty) Limited
Shareholder with significant influence	Taihan Electric Wire Company Limited
Members of key management	Refer to directors' report

	2007 R'000	**2006 R'000**	**2005 R'000**
Related party balances			
Loan accounts – Owing (to)/by related parties			
Malesela Holdings No. 1 Limited	–	1 725	4 997
Taihan Electric Wire Company Limited	(200)	(2 955)	(4 146)
Amounts included in trade receivables/(payables) regarding related parties			
Taihan Electric Wire Company Limited	(289)	(2 111)	1 564
Related party transactions			
Interest received from related parties			
Malesela Holdings No. 1 (Pty) Limited	(58)	(414)	(787)
Interest paid to related parties			
Taihan Electric Wire Company Limited	–	–	489
Purchases from related parties			
Taihan Electric Wire Company Limited	7 783	6 461	37 813
Management fees paid to related parties			
Malesela Holdings No. 1 Limited	13 430	7 333	7 331
Taihan Electric Wire Company Limited	2 792	2 613	2 425

10.23 Material changes

The company manufactures and supplies power cables, aluminium overhead conductors, bare copper wires and strip products as well a optical fibre cable. There have been no changes in the nature of the business of the company in the three years, and to the date of this report.

The company's subsidiary, Velvetsky Nine (Pty) Limited, is a property investment company, and currently holds one property, upon which rental income is earned. There have been no changes in nature of the company's business in the three years and to the date of this report.

10.24 Risk management

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

Deposits and al debts attract interest at rates that vary with prime. The company policy is to manage interest rate risk so that fluctuations in variable rates to not have a material impact on profit/(loss).

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year R'000	Due in 1 to 3 years R'000	Due in 3 to 4 years R'000	Due after 5 years R'000
Trade and other receivables	12.5%	207 100	–	–	–
ABSA Debtors financing	11.0%	23 736	–	–	–
Debentures	1.0%	–	–	20 000	–
Trade and other payables	6.0%	11 363	–	–	–

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. Credit guarantee insurance is purchased when deemed appropriate.

Foreign exchange risk

Foreign currency exposure at balance sheet date

The company does hedge foreign exchange fluctuations. There were no forward exchange contracts outstanding at year-end. The following items are uncovered:

	2007 R'000	2006 R'000	2005 R'000
Liabilities			
Current, USD197 734 loan (2006: USD407 591; 2005: 9 750)	200	2 955	4 146
Trade payables, USD1 937 011 (2006: USD 976 539; 2005: 450 524)	13 863	7 079	3 566
Trade payables, EUR15 222 (2006: EUR16 191; 2005: nil))	1 121	149	–
Trade payables, GBP35 794 (2006: nil; 2005: nil))	515	–	1
Goods in transit USD1 594 179 (2006: USD385 350; 2005: nil)	12 115	2 934	–
Exchange rates used for conversion of foreign items were:			
USD	7.16	7.25	6.80
EUR	9.73	9.23	–
GBP	14.39	–	–

The company reviews its foreign currency exposure, including commitments on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

10.25 Segmental information

IAS 14 requires the identification of the primary operating segments on the basis of either business or geographical segments based on the dominant source and nature of the company's risks and returns.

As MTec is only trading in South Africa, the operating segment would be identified on the basis of the business segments in which it operates in.

In terms of IAS 14. paragraph 9 a business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. Factors that should be considered in determining whether products and services are related include:

(a) the nature of the products or services;
(b) the nature of the production processes;
(c) the type or class of customer for the products or services;
(d) the methods used to distribute the products or provide the services; and
(e) if applicable, the nature of the regulatory environment, for example, banking, insurance, or public utilities.

As the company is only involved in the manufacturing of cables, using similar production processes and distributed in a similar fashion for all cable types, it is managements' opinion that the company only operates in one business segment. This is further supported by the products being subject to similar risks and can be sold to either parastatals or private customers. The only main differentiating factor in the product types are the nature of the cable (e.g. power cables, fibre optic or aluminium) and the operating margin of the specific cable type. In terms of IAS 14, paragraph 11, should the products or services be similar with the respect to the majority of risks and returns relating to the products or services, they can be included in one operating segment. It is management's opinion that this is the case and accordingly MTec has only one business segment.

In conclusion, the company only operated in one business segment and one geographical segment, and accordingly, no segment report has been prepared.

10.26 Other related matters

10.26.1 The company has not issued any shares or convertible securities in the preceding financial period

10.26.2 The company does not have any share scheme involving the staff

10.26.3 The EPS, HEPS, NAV and NTAV of the company are disclosed below:

In cents per share	**2007**	**2006**	**2005**
EPS	129 500	50 100	71 800
HEPS	130 100	52 500	(34 700)
NAV	1 103 800	773 700	683 100
NTAV	1 103 800	773 700	683 100

PART B – REVIEWED FINANCIAL INFORMATION OF MTEC FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2007

11. BASIS OF PREPARATION

11.1 The balance sheet, income statement, statement of changes in equity and cash flow statement of MTec for the six-month period ended 31 December 2007 is set out below and is the responsibility of the directors of MTec.

11.2 It should be noted out that MTec has not historically prepared interim financial information and therefore the interim financial information set out below has been prepared specifically for purposes of this circular and does not include comparative information as required by IAS 34.

11.3 The interim financial information of MTec was reviewed by Ernst & Young Inc and should be read in conjunction with the reporting accountants' report thereon as set out in Annexure 3.

12. NOTES TO THE INTERIM FINANCIAL INFORMATION

12.1 The accounting policies and methods of computation are followed in the interim financial statements are consistent and unchanged from the previous financial year.

12.2 The business of M-Tec is cyclical with a historic bias of higher profits during the second half of the financial year.

12.3 There were no items which occurred during the period affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

12.4 There were no material changes made in the current interim period that relate to estimates made in the prior year or prior comparative periods.

12.5 There were no issuances, repurchases, and repayments of debt and equity securities during the interim period.

12.6 There were no dividends paid (aggregate or per share) separately for ordinary shares and other shares during the interim period.

12.7 There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

12.8 There were no material changes in the composition of the entity during the interim period.

12.9 There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

13. BALANCE SHEET

	31 December 2007 R'000
ASSETS	
Non-current assets	**112 088**
Property, plant and equipment	112 088
Current assets	**317 297**
Inventories	149 605
Trade and other receivables	140 751
Cash and cash equivalents	26 941
Total assets	**429 385**
EQUITY AND LIABILITIES	
Equity	**270 824**
Share capital	54 639
Retained income	216 185
Non-current liabilities	**32 478**
Amounts owing to group companies	1 291
Long-term liabilities	20 000
Deferred taxation	11 187
Current liabilities	**126 083**
Interest bearing liabilities	43 615
Non-interest bearing liabilities	81 024
Taxation	1 444
Total equity and liabilities	**429 385**

14. INCOME STATEMENT

	31 December 2007 R'000
Revenue	**560 346**
Cost of sales	(495 715)
Gross profit	**64 631**
Other income	2 492
Other expenses	(18 643)
Operating profit	**48 480**
Finance costs	(2 457)
Profit before taxation	**46 023**
Taxation	(13 737)
Profit for the period	**32 286**

15. CASH FLOW STATEMENT

	31 December 2007 R'000
Cash generated by operating activities	35 330
Interest paid	(2 457)
Taxation paid	(16 232)
Cash flow from operating activities	16 641
Cash flow from investment activities	(11 093)
Cash flow from financing activities	17 936
Increase in cash and cash equivalents	23 484
Opening balance	3 457
Closing balance	26 941

16. STATEMENT OF CHANGES IN EQUITY

	31 December 2007 R'000
Balance at 1 July 2007	238 538
Profit for the period	32 286
Balance at 31 December 2007	270 824

17. SEGMENTAL INFORMATION

IAS 14 requires the identification of the primary operating segments on the basis of either business or geographical segments based on the dominant source and nature of the company's risks and returns.

As MTec is only trading in South Africa, the operating segment would be identified on the basis of the business segments in which it operates.

In terms of IAS 14. paragraph 9 a business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. Factors that should be considered in determining whether products and services are related include:

(a) the nature of the products or services;

(b) the nature of the production processes;

(c) the type or class of customer for the products or services;

(d) the methods used to distribute the products or provide the services; and

(e) if applicable, the nature of the regulatory environment, for example, banking, insurance, or public utilities.

As the company is only involved in the manufacturing of cables, using similar production processes and distributed in a similar fashion for all cable types, it is managements' opinion that the company only operates in one business segment. This is further supported by the products being subject to similar risks and can be sold to either parastatals or private customers. The only main differentiating factor in the product types are the nature of the cable (e.g. power cables, fibre optic or aluminium) and the operating margin of the specific cable type. In terms of IAS 14, paragraph 11, should the products or services be similar with the respect to the majority of risks and returns relating to the products or services, they can be included in one operating segment. It is management's opinion that this is the case and accordingly MTec has only one business segment.

In conclusion, the company only operated in one business segment and one geographical segment, and accordingly, no segment report has been prepared.

PART C – OTHER INFORMATION ON MTEC

18. INCORPORATION AND HISTORY

18.1 MTec was incorporated in South Africa on 25 April 2000 as Bowling Green Investments (Pty) Limited. The company changed its name to MTec on 16 August 2000.

18.2 The company's registered address is 1 Steel Road, Peacehaven, Vereeniging 1939.

19. MAJOR SHAREHOLDERS

19.1 The following shareholders were interested in 5% or more of MTec:

Name of shareholder	Number	Percentage held	Economic interest
Ordinary shares			
Malesela	11 000	51.0%	11.0%
Taihan	10 569	49.0%	10.6%
Preference shares(1)			
Taihan	45 000	100.0%	45.0%
Debentures(2)			
Taihan	33 431	100.0%	33.4%

Notes:

1. Convertible at the option of the holder into MTec ordinary shares in the ratio of 1:1, provided such conversion may not take place prior to 21 August 2010
2. Convertible at the option of the holder into MTec ordinary shares in the ratio of 1:1, provided such conversion may only take place on the earlier of 31 August 2010 or when MTec is listed on any securities exchange, upon which date the debentures will be cancelled.

19.2 Following the MTec acquisition, the following shareholders will be interested in 5% or more of MTec:

Name of shareholder	Number	Percentage held	Economic interest
Ordinary shares			
Iningi	11 000	51.0%	11.0%
Taihan	10 569	49.0%	10.6%
Preference shares(1)			
Iningi	23 000	51.1%	23.0%
Taihan	22 000	48.9%	22.0%
Debentures(2)			
Taihan	33 431	100.0%	33.4%

Notes:

1. Convertible at the option of the holder into MTec ordinary shares in the ratio of 1:1, provided such conversion may not take place prior to 21 August 2010.
2. Convertible at the option of the holder into MTec ordinary shares in the ratio of 1:1, provided such conversion may only take place on the earlier of 31 August 2010 or when MTec is listed on any securities exchange, upon which date the debentures will be cancelled.

20. SHARE CAPITAL

20.1 There has been no sub-division or consolidation of MTec shares during the preceding three years.

20.2 There has been no offer, issue of shares or repurchase of shares made by MTec during the preceding three years.

21. MATERIAL CHANGES

21.1 There have been no material changes in the business of MTec or its subsidiary during the preceding five years.

21.2 There have been no material changes in the financial or trading position of MTec or its subsidiary since 31 December 2007 until the last practicable date.

22. MATERIAL CONTRACTS

No material contracts have been entered into by MTec or its subsidiary, other than in the ordinary course of business, within the preceding two years or at any time that contain an obligation or settlement that is material to MTec as at the last practicable date.

23. MATERIAL LOANS

Save for loans from Absa debtors financing as set out in note 10.8 of Part A , no material loans have been made to or by MTec or its subsidiary.

24. LITIGATION

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which MTec is aware, which may have or have had a material effect on the financial position of MTec in the last 12 months.

PART D – PROPOSED TREATMENT OF MTEC IN JASCO'S FINANCIAL INFORMATION

Set out below is management's analysis of how the company intends treating the MTec acquisition for reporting purposes. It should be noted that the proposed accounting treatment set out below has been discussed and agreed with Jasco's auditors.

The logic, or evaluation of whether MTec should be consolidated or not is based on an evaluation of the degree to which MTec will be controlled by Jasco.

Per IAS 27, control is presumed to exist when the parent company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. The circumstances are not always as exceptional as the statements make them out to be. Essentially, Jasco will need to evaluate the following factors from IAS 27.

For a majority owner not to have control, it is usually expected to see clear evidence that another party has control – this would ordinarily require that the other party meets one or more of the other control indicators in paragraph 13 of IAS 27, namely:

(a) power over more than half of the voting rights by virtue of an agreement with other investors (This is not the case as the majority of the voting rights remain with Taihan who have the ability to appoint the majority of directors);

(b) power to govern the financial and operating policies of the entity under a statute or an agreement (While Mr M H Lotz will be on the board of MTec, there is no power to govern the financial and operating policies)

(c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body (Mr M H Lotz will be the only representative on MTec's boardand will not have the power to appoint or remove directors); or

(d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body. (No power to cast majority votes exists)

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF AFROCENTRIC

"23 April 2008

The Directors
AfroCentric Investment Corporation Limited
Private Bag X34
Benmore
2010

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF AFROCENTRIC

Introduction

We have performed our limited assurance engagement in respect of the unaudited *pro forma* financial effects, income statement and balance sheet (collectively "the *pro forma* financial information") of AfroCentric set out on paragraph 7.2 and Annexure 6 of the circular to AfroCentric shareholders dated on or about 5 May 2008 ("the circular") issued in connection with the the proposed acquisition by AfroCentric of a 34.9% interest in Jasco Electronics Holdings Limited; and the subscription for 40 000 Iningi preference shares in Iningi Investments 180 (Proprietary) Limited (collectively "the transactions").

The *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the transactions might have affected the reported historic financial information presented, had the transactions been undertaken at 1 July 2007 for income statement purposes and 31 December 2007 for balance sheet purposes.

Responsibilities

The directors of AfroCentric are solely responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that:

- the *pro forma* financial information has been properly compiled on the basis stated;
- the basis is consistent with the accounting policies of AfroCentric; and
- the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular to AfroCentric shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro Forma* Financial Information issued by SAICA. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of AfroCentric, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of AfroCentric in respect of the transactions.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of AfroCentric and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published and audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of sections 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of AfroCentric; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

Yours faithfully

ERNST & YOUNG INC.
Registered Auditors
Johannesburg"

PRO FORMA INCOME STATEMENT AND BALANCE SHEET RELATING TO THE TRANSACTIONS

This unaudited *pro forma* financial information has been prepared for illustrative purposes only and because of its nature may not fairly present the AfroCentric group's financial position and results of operations, nor the effect and impact of the Transactions on the AfroCentric group going forward and is the responsibility of AfroCentric's directors.

Based on the published unaudited interim results of AfroCentric for the six months period ended 31 December 2007, the unaudited *pro forma* financial effects of the Transactions are set out below and in paragraph 8.2 of this circular. The definitions and interpretations commencing on page7 of this circular apply to this annexure.

Unaudited *pro forma* income statement

For the six months ended 31 December 2007	Before the Transactions[1] R'000	Adjustments for the Transactions R'000	After the Transactions[(2),(3)& (4)] R'000
Revenue	–	–	–
Interest Earned	5 235	(5 235)	–
Dividend income from Iningi preference shares	–	5 800	5 800
Expenditure	(631)	(2 127)	(2 758)
Administrative	(324)		(324)
Other	(307)	(2 127)	(2 434)
Earnings before taxation for the period	4 604	(1 562)	(3 042)
Taxation	(1 335)	755	(580)
Earnings and headline earnings after taxation for the period	3 269	(807)	2 462
Income from associate	–	5 415	5 415
Earnings and headline earnings for the period	3 269	4 608	7 877

Notes:

1. Based on the published results of AfroCentric for the six months ended 31 December 2007.
2. Based on the assumption that the Transactions were effected on 1 July 2007 for income statement purposes.
3. Earnings and headline earnings have been adjusted to include the following:
   (a) *pro forma* equity accounted income attributable to AfroCentric from Jasco for the six-month period ended 31 August 2007;
   (b) the *pro forma* earnings of Jasco have been adjusted to include the MTec results for the six-month period ended 31 December 2007. The effect of (a) and (b) have resulted in earnings from Jasco, attributable to AfroCentric's envisaged 34.9% interest therein, of R5.4 million
   (c) the *pro forma* net interest of R3.8 million foregone by AfroCentric on the cash utilised to subscribe to the Iningi preference shares in terms of the Subscription Agreement;
   (d) the *pro forma* net dividend income receivable from Jasco as a result of the Subscription for the Iningi preference shares of R5.2 million ; and
   (e) once-off transaction costs incurred by AfroCentric in pursuance of the Transactions, estimated to be approximately R2.4 million.
4. Net asset value and net tangible asset value have been adjusted for the investments resulting from the Acquisition, R129 million, and the Subscription, R100 million, as well as the transaction costs referred to above.
5. For purposes of the *pro forma* financial effects, number of shares to be issued by AfroCentric as Acquisition Consideration Shares has been estimated to be 49 954 741. This number is based on the terms of the Acquisition Agreement and on an estimate by Jasco management of the number of Jasco ordinary shares that are expected to be issued to CIH in terms of the Conversion.
6. Extract from the Jasco circular:"It should be noted that the unaudited *pro forma* financial effects have been prepared on Jasco's latest six month results and that Jasco's performance, when measured on an annual basis, has historically been affected by seasonality factors which favour substantially stronger performance in the second half of Jasco's financial year".
7. Extract from the Jasco circular: "It should further be noted that MTec has undergone a detailed independent due diligence investigation. The due diligence investigation indicated that MTec's business is also affected by similar seasonal trends (as those experienced by Jasco) and that the results of MTec on an annual basis should have no dilutionary effect on the expected future earnings and headline earnings of Jasco, as the share of the associated earnings from MTec should offset the dilution resulting from the allocation of additional Jasco ordinary shares."

Unaudited *pro forma* balance sheet

	Before the Transactions[1] R'000	Adjustments for the Transactions[3] R'000	After the Transactions[(2),(3) & (4)] R'000
ASSETS			
Non-current assets	–	229 882	229 882
Investment in Jasco	–	129 882	129 882
Investment in Iningi preference shares	–	100 000	100 000
Current assets	108 024	(102 172)	5 852
Cash and cash equivalent	108 024	(102 172)	5 852
Total assets	108 024	127 755	235 734
EQUITY	106 395	127 755	234 105
Share capital	1 106	500	1 606
Share premium	97 203	129 383	226 586
Retained earnings	8 086	(2 172)	5 914
Liabilities	1 629	–	1 629
Trade and other payables	294	–	294
Taxation	1 335	–	1 335
Total equity and liabilities	108 024	127 710	235 734

Notes:

1. Based on the published results of AfroCentric for the six months ended 31 December 2007.
2. Based on the assumption that the Transactions were effected on 1 July 2007 for income statement purposes.
3. Earnings and headline earnings have been adjusted to include the following:
   (a) *pro forma* equity accounted income attributable to AfroCentric from Jasco for the six-month period ended 31 August 2007;
   (b) the *pro forma* earnings of Jasco have been adjusted to include the MTec results for the six-month period ended 31 December 2007. The effect of (a) and (b) have resulted in earnings from Jasco, attributable to AfroCentric's envisaged 34.9% interest therein, of R5.4 million
   (c) the *pro forma* net interest of R3.8 million foregone by AfroCentric on the cash utilised to subscribe to the Iningi preference shares in terms of the Subscription Agreement;
   (d) the *pro forma* net dividend income receivable from Jasco as a result of the Subscription for the Iningi preference shares of R5.2 million ; and
   (e) once-off transaction costs incurred by AfroCentric in pursuance of the Transactions, estimated to be approximately R2.4 million.
4. Net asset value and net tangible asset value have been adjusted for the investments resulting from the Acquisition, R129 million, and the Subscription, R100 million, as well as the transaction costs referred to above.
5. For purposes of the *pro forma* financial effects, number of shares to be issued by AfroCentric as Acquisition Consideration Shares has been estimated to be 49 954 741. This number is based on the terms of the Acquisition Agreement and on an estimate by Jasco management of the number of Jasco ordinary shares that are expected to be issued to CIH in terms of the Conversion.
6. Extract from the Jasco circular:"It should be noted that the unaudited *pro forma* financial effects have been prepared on Jasco's latest six month results and that Jasco's performance, when measured on an annual basis, has historically been affected by seasonality factors which favour substantially stronger performance in the second half of Jasco's financial year".
7. Extract from the Jasco circular: "It should further be noted that MTec has undergone a detailed independent due diligence investigation. The due diligence investigation indicated that MTec's business is also affected by similar seasonal trends (as those experienced by Jasco) and that the results of MTec on an annual basis should have no dilutionary effect on the expected future earnings and headline earnings of Jasco, as the share of the associated earnings from MTec should offset the dilution resulting from the allocation of additional Jasco ordinary shares."

EXTRACTS OF THE RIGHTS AND OBLIGATIONS RELATING TO THE ININGI PREFERENCE SHARES

RIGHTS AND PRIVILEGES

"29. **RIGHTS AND PRIVILEGES ATTACHING TO THE CUMULATIVE REDEEMABLE PREFERENCE SHARES**

29.1 **Definitions**

29.1.1 In this article 29, unless the context otherwise indicates, the following terms shall have the meanings assigned to them hereunder, with cognate expressions having corresponding meanings:

29.1.1.1 "Act" – the Companies Act, No. 61 of 1973, as amended or re-enacted from time to time;

29.1.1.2 "Additional Preference Dividend" – an additional preference dividend which a Holder has a right to receive from time to time, being an amount equal to any Breakage Costs incurred by, imposed on, levied or asserted against such Holder from time to time;

29.1.1.3 "Additional Redemption Amount" – an amount which a Holder has a right to receive in term of Article 29.5.2;

29.1.1.4 "AfroCentric" – AfroCentric Investment Corporation Limited, a public company incorporated in accordance with the laws of the RSA under registration number 1988/000570/06 and the entire issued share capital of which is listed on the JSE, and includes its successor-in-title and/or permitted transferee, cessionary and/or assign;

29.1.1.5 "Arrear Preference Dividend" – any Preference Dividend, any Additional Preference Dividend or any Penalty Preference Dividend (or any portion thereof) which has not been paid on its respective due date in accordance with this article 29 (regardless of: (1) whether such amount was declared or not; or (2) whether such non-payment was due to an insufficiency of profits or for any other reason whatsoever or (3) whether such payment was possible in Law);

29.1.1.6 "Breakage Costs" – if applicable, all direct losses, claims, expenses and other liabilities and reasonable costs, in each case incurred by, imposed on, levied or asserted against a Holder as a result of a redemption of any Preference Share for any reason whatsoever in terms of Articles 29.5.1.2.2, 29.6.1 or 29.6.2.1.2. Such costs shall include, but not be limited to, the costs incurred by a Holder in unwinding any funding raised or any part thereof, where the funding instruments selected by a Holder have a maturity date which occurs after the date of the relevant redemption and, all losses incurred by a Holder pursuant to the premature termination, unwinding, closing-out or modification of any arrangements entered into for the purpose of or to facilitate a Holder's subscription for and holding of that Preference Shares from time to time;

29.1.1.7 "Business Day" – any day (other than a Saturday, Sunday or public holiday as gazetted by the Government of South Africa from time to time) on which commercial banks are generally open for business in Johannesburg;

29.1.1.8 "Change in Law" – any:

29.1.1.8.1 implementation, introduction, abolition, promulgation or withdrawal of any Law; or

21.1.1.8.2 any change in:

29.1.1.8.2.1 a Law; or

29.1.1.8.2.2 in the compliance with, or in any interpretation, application or administration of, a Law;

29.1.1.9 "Continuing" – in the context of any event referred to in Articles 29.6.2.1.2.1 to 29.6.2.1.2.16 (inclusive):

29.1.1.9.1 where any such event or its consequences are incapable of remedy, that event is deemed to be continuing unless it has been expressly waived in writing by the Holder and any conditions of such waiver have been fulfilled to the reasonable satisfaction of the Holder;

29.1.1.9.2 in any other case, that event is deemed to be continuing unless and until either:

29.1.1.9.2.1 it has been expressly waived in writing by the Holder and any conditions of such waiver have been fulfilled to the reasonable satisfaction of the Holder; or

29.1.1.9.2.2 it has been remedied to the reasonable satisfaction of the Holder;

29.1.1.10 "Dispose" means sell, transfer, exchange, lease, renounce, surrender, waive, relinquish, donate, hypothecate, pledge, cede, assign or otherwise alienate or Encumber, and "Disposed" and "Disposal" shall have corresponding meanings;

29.1.1.11 "Dividend Dates" – in respect of each Preference Share:

29.1.1.11.1 the last Business Day of each month of each year, commencing on the last Business Day of the month immediately following the month in which the Preference Shares are subscribed for ("the First Dividend Date"); and

29.1.1.11.2 the Redemption Date of such Preference Share;

29.1.1.12 "Dividend Period" – in respect of each Preference Share:

29.1.1.12.1 in respect of the first Preference Dividend pertaining to such Preference Share, the period commencing on the date on which the Issue Price in respect of that Preference Share is paid to the Company and ending on the calendar day immediately prior to the First Dividend Date; and

29.1.1.12.2 in respect of the final Preference Dividend pertaining to such Preference Share, the period commencing on the last Dividend Date immediately prior to the Redemption Date on which that Preference Share is redeemed and ending on the calendar day immediately prior to that Redemption Date; and

29.1.1.12.3 in respect of any other Preference Dividend pertaining to such Preference Share, the period commencing on a Dividend Date and ending on the calendar day prior to the next Dividend Date;

29.1.1.13 "Dividend Rate" – 80% (eighty percent) of the Prime Rate, nominal annual compounded semi-annually in arrears, provided that the Dividend Rate is subject to recalculation:

29.1.1.13.1 in accordance with Article 29.5.1; and/or

29.1.1.13.2 if there is any change from time to time in the Prime Rate, the resulting new Dividend Rate shall apply from the date of the change in the Prime Rate;

29.1.1.14 "Encumbrance":

29.1.1.14.1 any mortgage, pledge, lien, assignment or cession conferring security, hypothecation, security interests, preferential right or trust arrangement or other encumbrance securing any obligation of any person;

29.1.1.14.2 any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person other than a cash management system operated, for a client, by a bank registered pursuant to the Banks Act, 1990 (as amended);

29.1.1.14.3 any other type of preferential agreement or arrangement (including any title transfer and retention arrangement), the effect of which is the creation of security,

and "Encumber" shall have a corresponding meaning;

29.1.1.15 "Grantor" – Jasco Electronics Holdings Limited, a company with limited liability duly incorporated in accordance with the company laws of the RSA under Registration Number 1987/003293/06 and listed on the JSE, and including its successor-in-title and/or permitted transferee, cessionary and/or assign;

29.1.1.16 "Grantor Group" – the Grantor and the Company, and includes their respective Subsidiaries and Holding Companies from time to time;

29.1.1.17 "Holder" – a registered owner of a Preference Share, from time to time;

29.1.1.18 "Holding Company" – shall bear the meaning ascribed to it in terms of the relevant provisions of the Act which were applicable as at the Issue Date;

29.1.1.19 "Indebtedness" – any obligation or Encumbrance (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

29.1.1.20 "Issue Date" – the date upon which the Preference Shares are allotted and issued;

29.1.1.21 "Issue Price" – the aggregate price at which the Company allots and issues a Preference Share, being R2 500 (two thousand five hundred Rand) per Preference Share and as set out more fully in Article 29.2;

29.1.1.22 "Law" – any law (including statutory, common or customary law), statute, constitution, decree, judgment, treaty, regulation, ruling, practice, concession, request, notice, announcement, guidance, by-law, order, directive, requirement or other legislative measure of any government, supranational, local government, central bank, statutory or regulatory or self-regulatory or similar body or authority or court and the common law, as amended, replaced, re-enacted, restated or reinterpreted from time to time;

29.1.1.23 "Material Adverse Effect" – a material adverse effect on:

29.1.1.23.1 the financial condition, assets, prospects or business of the Company and/or the Grantor taken as a whole or the consolidated financial condition, assets, prospects or business of the Grantor Group;

29.1.1.23.2 the ability of the Company and/or the Grantor to timeously and properly perform its respective obligations (including any payment obligations) under any of the Relevant Documents to which it is a party; and/or

29.1.1.23.3 the ability of AfroCentric to exercise and/or enforce any right granted or intended or purported to be granted to AfroCentric under any of the Relevant Documents or in relation to any Preference Share;

29.1.1.24 "Nedbank" – Nedbank Limited (Registration No. 1951/000009/06), a public company with limited liability incorporated under the laws of South Africa, which is registered as a bank in terms of the Banks Act, No. 94 of 1990, and including its successor-in-title and/or permitted transferee, cessionary and/or assign;

29.1.1.25 "Nedbank Group Limited" means Nedbank Group Limited (Registration No. 1966/010630/06), a public company duly incorporated according to the laws of South Africa, and including its successor-in-title;

29.1.1.26 "Penalty Dividend Rate" – a rate equal to the aggregate of the Prime Rate and 2% (two percent), nominal annual compounded monthly in arrears, provided that the Penalty Dividend Rate is subject to recalculation:

29.1.1.26.1 in accordance with Article 29.5.1; and/or

29.1.1.26.2 if there is any change from time to time in the Prime Rate, the resulting new Penalty Dividend Rate shall apply from the date of the change in the Prime Rate;

29.1.1.27 "Penalty Preference Dividend" – in respect of any amount (or any portion thereof) which is not paid in full on due date in accordance with this Article 29 ("the Unpaid Amount"), a dividend determined by the following formula:

$$A = \frac{B \times C \times D}{365}$$

Where:

A = the Penalty Preference Dividend;

B = the applicable Penalty Dividend Rate, expressed as a decimal;

C = the number of days for which the Company fails to pay the Unpaid Amount, calculated from the relevant due date of such Unpaid Amount to the date on which that Unpaid Amount and the applicable Penalty Preference Dividend, is paid in full; and

D = an amount in Rands equal to the Unpaid Amount (regardless of: (1) whether such amount was declared or not; or (2) whether such non-payment was due to an insufficiency of profits or for any other reason whatsoever or (3) whether such payment was possible in Law);

29.1.1.28 "the Pledge" – the written pledge and cession *in securitatem debiti* to be concluded by the Grantor in favour of AfroCentric in respect of its shares in the Company contemporaneously with the Put Option Agreement, on terms and conditions to the satisfaction of AfroCentric;

29.1.1.29 "Preference Dividend" – the cumulative preferential cash dividend in respect of each Preference Share (whether declared or not), calculated in accordance with the formula below for each Dividend Period at the applicable Dividend Rate on a daily basis and compounded semi-annually in arrear:

$$A = \frac{B \times C \times D}{365}$$

Where:

A = the Preference Dividend in respect of the applicable Preference Share;

B = the applicable Dividend Rate, expressed as a decimal;

C = the number of days in the Dividend Period for which the Preference Dividend is payable or other period for which the Preference Dividend is being calculated; and

D = the Issue Price of the applicable Preference Share, expressed in Rand.

29.1.1.30 "Preference Shares" – the 40 000 (forty thousand) cumulative redeemable preference shares with a par value of R0.001 (one-tenth of a cent) each in the Company, and having the rights and privileges set out in this Article 29, to be issued at a premium of R2 499.999 (two thousand four hundred and ninety-nine Rand and ninety-nine cents and nine tenths of a cent) per share;

29.1.1.31 "Prime Rate" – the prime rate of interest quoted as such by Nedbank from time to time, calculated on a 365-day factor, irrespective of whether or not the year is a leap year, as certified by any manager of Nedbank, whose appointment as such it shall not be necessary to prove, which certificate shall serve as *prima facie* proof of its contents;

29.1.1.32 "Put Option Agreement" means the put option agreement concluded by AfroCentric and the Grantor in terms of which AfroCentric shall be entitled, in circumstances therein described, to sell to the Grantor and the Grantor shall be obliged to purchase, the Preference Shares held by AfroCentric at the relevant date; and

29.1.1.33 "Redemption Amount" – in respect of all Preference Shares that are redeemed in terms of this Article 29 at any Redemption Date, an amount equal to the aggregate of:

29.1.1.33.1 the aggregate of the Issue Prices of all the Preference Shares being redeemed at such time; and

29.1.1.33.2 all unpaid Preference Dividends (whether declared or not) relating to such Preference Shares as at (and including) the applicable Redemption Date; and

29.1.1.33.3 all unpaid Arrear Preference Dividends, Penalty Preference Dividends and Additional Dividends (whether declared or not) as at (and including) the applicable Redemption Date,

and for the purpose hereof, any unpaid Relevant Dividend includes any Relevant Dividend which, if on the date such Relevant Dividend was due to be paid, was not paid regardless of: (1) whether such amount was declared or not; or (2) whether such non-payment was due to an insufficiency of profits or for any other reason whatsoever; or (3) whether the Company was possessed of sufficient distributable reserves to pay same on the relevant due date or (4) whether such payment was possible in Law;

29.1.1.34 "Redemption Date" – the date on which a Preference Share is redeemed by the Company in accordance with this Article 29, such date being:

29.1.1.34.1 the date on which the Company redeems such Preference Share in accordance with Articles 29.5.1.1.3 or 29.6.1.1.3; or

29.1.1.34.2 the date on which the Company redeems such Preference Share in accordance with Articles 29.6.2.1.1 or 29.6.2.1.2;

29.1.1.35 "Relevant Dividends" – all Preference Dividends, Additional Preference Dividends, Penalty Preference Dividends and Arrear Preference Dividends, and "Relevant Dividend" shall mean any of the Relevant Dividends as the context may indicate;

29.1.1.36 "Relevant Documents" –

29.1.1.36.1 this Article 29;

29.1.1.36.2 the Preference Shares;

29.1.1.36.3 the Put Option Agreement;

29.1.1.36.4 the Subscription Agreement;

29.1.1.36.5 the Sale Agreement (as defined in the Subscription Agreement"); and

29.1.1.36.6 the Pledge,

and "Relevant Document" shall mean any one of the Relevant Documents as the context may indicate;

29.1.1.37 "South Africa" – the Republic of South Africa as constituted from time to time;

29.1.1.38 "STC" – the secondary tax on companies as contemplated by the Income Tax Act, No. 58 of 1962, as amended;

29.1.1.39 "Subscription Agreement" – the preference share subscription agreement concluded between the Company, the Grantor and AfroCentric in terms of which AfroCentric agreed to subscribe for, and the Company agreed to allot and issue to AfroCentric, the Preference Shares;

29.1.1.40 "Subsidiary" – shall bear the meaning ascribed to it in terms of the relevant provisions of the Act which were applicable as at the Signature Date;

29.1.1.41 "Taxes" means all taxes, charges, imposts, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the aforegoing by whomsoever and on whomsoever imposed, levied, collected, withheld or assessed, together with any penalties or interest relating thereto, and "Tax" and "Taxation" shall be construed accordingly;

29.1.1.42 "Unredeemed Preference Shares" –, at any time, any Preference Shares which have not been redeemed in full by the Company at that time in accordance with the provisions of this Article 29.

29.1.2 Unless the context otherwise requires:

29.1.2.1 words importing the singular shall include the plural and *vice versa*, words importing any gender shall include the other genders and words importing persons shall include partnerships, trusts and bodies corporate;

29.1.2.2 the head notes to the paragraphs to these terms are inserted for reference purposes only and shall not affect the interpretation of any provision to which they relate;

29.1.2.3 where any term is defined in the context of any particular paragraph in these terms, the term so defined shall, unless it appears clearly from the paragraph in question that the term has limited application to the relevant paragraph, bear the meaning ascribed to it for all purposes herein, notwithstanding that it has not been defined in this Article 29.1;

29.1.2.4 when any number of days is prescribed in this Article 29, same shall be reckoned inclusively of the first and exclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the immediately succeeding Business Day;

29.1.2.5 where the date for the performance of an obligation in terms of these terms does not fall on a Business Day, the performance shall be rendered on the immediately succeeding Business Day; and

29.1.2.6 any reference in these terms to legislation means that legislation as amended, substituted or re-enacted from time to time.

29.2 **Par Value and Premium**

The Preference Shares shall have a par value of R0.001 (one tenth of a cent) each, and shall be allotted and issued with a premium of R2 499.999 (two thousand four hundred and ninety-nine Rand and ninety-nine cents and nine-tenths of a cent) per Preference Share, credited as fully paid-up in a single tranche of 40 000 (forty thousand) Preference Shares as more fully set out in the Subscription Agreement. Notwithstanding anything to the contrary contained elsewhere in the Memorandum and Articles of Association of the Company, the Preference Shares shall have the rights and privileges set out in this Article 29.

29.3 **Winding Up**

29.3.1 Each Unredeemed Preference Share shall, on a winding-up of the Company, confer upon a Holder a right ranking in priority to any payment in respect of any other class of shares in the capital of the Company then issued, to receive out of the amounts and assets of the Company then available for distribution:

29.3.1.1 the entire Redemption Amount applicable to all Unredeemed Preference Shares at such time calculated as at the date of payment thereof; and

29.3.1.2 all Additional Redemption Amounts.

29.4 **Right to, and Declaration and Payment of, Dividends**

29.4.1 ***Right to Dividends***

The Preference Shares shall confer on a Holder the right to receive all Relevant Dividends, which amounts will rank in priority to any dividends which, after the Issue Date, may be declared and/or paid in respect of any ordinary shares and any other preference shares in the capital of the Company.

29.4.2 ***Declaration and Payment***

29.4.2.1 If there are sufficient profits in the Company in all the circumstances available for distribution the Company shall be obliged to distribute profits and to pay all Relevant Dividends as follows:

29.4.2.1.1 Preference Dividends: each Preference Dividend shall be due and payable in full in arrear, on each Dividend Date;

29.4.2.1.2 Additional Preference Dividends: any Additional Preference Dividend shall be due and payable in full in arrear, on the Dividend Date on which, or immediately following the date on which, (as the case may be) the Company receives a written demand to such effect; and

29.4.2.1.3 Arrear Preference Dividends and/or Penalty Preference Dividends: any Arrear Preference Dividend and/or Penalty Preference Dividends shall be due and payable in full in arrear, on the Dividend Date immediately following the date upon which the Company failed, for whatever reason, to pay the applicable Relevant Dividend or other applicable amount (or any portion thereof, as the case may be), to the relevant Holder registered as such on the Business Day immediately preceding such Dividend Date.

29.4.2.2 Notwithstanding anything to the contrary contained in these Articles, it shall not be necessary or required for the directors of the Company to recommend the payment of any Relevant Dividend, or for the Company to declare same or for notice of any Relevant Dividend to be given by the Company and Relevant Dividends shall accordingly, subject to the provisions of the Act, be payable in terms of and in accordance Article 29.4.2.1 irrespective of whether such recommendation, declaration or notice has been made or given.

29.5 **Increased Costs**

29.5.1 ***Recalculation Event***

29.5.1.1 Notwithstanding anything to the contrary in these Articles and regardless of the Holder's or its Holding Company's Tax position:

29.5.1.1.1 if:

29.5.1.1.1.1 there is any: (1) Change in Law; and/or (2) change in banking practice, as it is applied generally by financial institutions in South Africa and/or (3) a requirement or a request by any statutory or monetary authority, to maintain special deposits or reserve assets, which:

29.5.1.1.1.1.1 increases or reduces the cost of holding and/or funding any Preference Share to that Holder or its Holding Company; and/or

29.5.1.1.1.1.2 such Holder acquiring and/or holding any Preference Share and/or maintaining its invest-ment in such share; and/or

29.5.1.1.2 if:

29.5.1.1.2.1 a Holder or its Holding Company suffers, incurs or becomes liable to pay any Tax on, or in respect of, any Preference Share or any amount: (a) received by; (b) to be received by; (c) deemed to be received by; (d) accruing to or (e) deemed to have accrued to that Holder or its Holding Company pursuant thereto (including, without limitation, the holding and/or funding of such Preference Share, or any Relevant Dividend or any Redemption Amount relating thereto); and/or

29.5.1.1.2.2 any circumstance result in a Holder or its Holding Company not being entitled to take any Relevant Dividends declared and/or paid to that Holder into account fully or at all in determining that Holder's liability for STC,

(each a "Recalculation Event"), then in the event that the Recalculation Event occurs on or prior to any redemption of the relevant Preference Shares in terms of this Article 29:

29.5.1.1.3 the applicable Holder shall calculate such an increased or decreased (as the case may be) Dividend Rate and/or Penalty Dividend Rate which will place such Holder in the same after-Tax financial position it would have been in had the Recalculation Event not occurred (such rate the "Recalculated Rate"); and

29.5.1.1.4 a certificate by the auditors of such Holder shall be *prima facie* proof as to any Recalculated Rate,

provided that there shall be no such increase or decrease (as the case may be) to the Dividend Rate and/or the Penalty Dividend Rate arising from an event contemplated in Article 29.5.1.1.2 if and to the extent that the relevant event contemplated in Article 29.5.1.1.2 is finally proven to have arisen directly as a result of the Holder's own gross negligence or wilful misrepresentation or misconduct.

29.5.1.2 The relevant Holder shall notify the Company in writing ("the Recalculation Notice") of any increase or decrease (as the case may be) to the Dividend Rate and/or Penalty Dividend Rate, as the case may be, pursuant to any Recalculation Event and in such an event:

29.5.1.2.1 the relevant increase or decrease (as the case may be) in the Dividend Rate and/or the Penalty Dividend Rate, as the case may be, shall apply to any Unredeemed Preference Shares held by the relevant Holder with effect from the date of the Recalculation Notice; and

29.5.1.2.2 the Company shall be entitled within 30 (thirty) days of receipt by the Company of the Recalculation Notice, to redeem all (and not only some) of the Unredeemed Preference Shares of that Holder for the full applicable Redemption Amount (calculated as the relevant Recalculated Rate), provided such redemption occurs *mutatis mutandis* in accordance with Articles 29.6.1.1.3, 29.6.1.1.4, 29.6.1.1.5, 29.6.1.1.6, 29.6.1.1.8 and 29.6.1.1.9.

29.5.2 ***Additional Redemption Amount***

29.5.2.1 If after the redemption of a Preference Share in terms of this article 29, any Recalculation Event occurs (an "Additional Recalculation Event"), the Company shall pay to the relevant Holder such amount which will place such Holder in the same after-Tax financial position it would have been in had the Additional Recalculation Event not occurred (the "Additional Redemption Amount").

29.5.2.2 Such Holder shall advise the Company in writing of any Additional Redemption Amount as soon as reasonably possible after becoming aware of the occurrence of the Additional Recalculation Event, but in any event not more than 120 (one hundred and twenty) days after it became aware thereof, by way of a certificate under the hand of any manager for the time being of that Holder (whose appointment, designation and authority it shall not be necessary to prove), accompanied by such information and calculations as are reasonably required, in that Holder's opinion, to reasonably substantiate the Additional Recalculation Event ("Additional Recalculation Notice"), and the Company shall be obliged in the absence of manifest error, to pay such Additional Redemption Amount to that Holder by no later than 15 (fifteen) Business Days after the date on which the Company receives any Additional Recalculation Notice.

29.5.2.3 The Company's obligations in terms of this article 29.5.2 shall terminate, in respect of each Preference Share, 3 (three) years after:

29.5.2.3.1 the date on which the relevant Holder receives a final assessment from the Commissioner of the South African Revenue Service (the "Commissioner") in respect of the tax year during which the last amount which is payable by the Company to such Holder in terms of this Article 29, is unconditionally received by such Holder in full; or

29.5.2.3.2 the date on which any dispute with the Commissioner in connection with the Commissioner's assessment in respect of the tax year during which the redemption of such Preference Share occurred, is finally settled,

whichever is the later date.

29.5.2.4 Any Additional Redemption Amount shall bear interest at a rate equal to the Prime Rate from (and including) the date of the relevant Additional Recalculation Event to (but excluding) the date on which the relevant Holder receives the Additional Redemption Amount.

29.5.3 ***Entitlement to Benefits***

Should any Recalculation Event or Additional Recalculation Event occur but the Holder not be liable for the Tax, increased cost or reduced return that would have resulted therefrom only because it or its Holding Company has the benefit of an assessed loss, an STC credit or other similar benefit, the Holder shall not thereby be deprived of the benefit of the provisions of Article 29, and the provisions thereof shall apply, *mutatis mutandis*, as if such assessed loss, STC credit or other benefit did not exist and as if the Holder or its Holding Company incurred or was liable to pay such Tax, increased cost or reduced return or as if the reduction in benefit were a liability.

29.6 **Redemption**

29.6.1 ***Voluntary***

29.6.1.1 The Company may redeem any Unredeemed Preference Share for the applicable Redemption Amount, provided expressly that:

29.6.1.1.1 such right may not be exercised at any time prior to the date falling 3 (three) years and 1 (one) day after the Issue Date;

29.6.1.1.2 such redemption shall in each instance be of a *pro rata* portion of each Holder's then Unredeemed Preference Shares;

29.6.1.1.3 each such redemption shall occur on the Business Day falling 30 (thirty) days after the relevant Holder has received a written notice from the Company stating that the Company will be redeeming such Preference Share, which notice:

29.6.1.1.3.1 shall be irrevocable once received by such Holder; and

29.6.1.1.3.2 may not be given:

29.6.1.1.3.2.1 after the Company has received any notice to redeem in terms of Article 29.6.2.1.1 or 29.6.2.1.2; or

29.6.1.1.3.2.2 if any Arrear Preference Dividends or Penalty Preference Dividends would be payable by the Company as part of the Redemption Amount to be paid on the applicable Redemption Date;

29.6.1.1.4 prior to the relevant redemption and to the extent necessary, the Company lawfully can and lawfully does declare all Relevant Dividends forming part of the applicable Redemption Amount;

29.6.1.1.5 the terms and conditions of this Article 29 and the Subscription Agreement shall continue to apply to the Preference Shares remaining in issue after any partial redemption and the rights attaching to the Preference Shares which shall not have been redeemed shall be and remain unaltered;

29.6.1.1.6 AfroCentric has not delivered a Put Notice (as such term is contemplated in the Put Option Agreement) to the Grantor in terms of the Put Option Agreement;

29.6.1.1.7 no less than 100 (one hundred) Unredeemed Preference Shares of each Holder are redeemed in full with each such redemption;

29.6.1.1.8 any such redemption shall not prejudice AfroCentric's rights under the Pledge or the Put Option Agreement; and

29.6.1.1.9 the relevant Holder actually receives the applicable Redemption Amount unconditionally and in full on the Redemption Date applicable to the redemption in question.

29.6.2 ***Compulsory***

29.6.2.1 Subject to the provisions of the Act:

29.6.2.1.1 the Company shall be obliged to redeem all or some of the Unredeemed Preference Shares unconditionally and in full for the applicable Redemption Amount on the date falling 30 (thirty) days after the Company has received a written notice from the Holder requiring the Company to redeem such Preference Shares; provided expressly that no such notice may be given by the Holder if the aforesaid redemption date would fall on or before the date falling 5 (five) years and 1 (one) day after the Issue Date; or

29.6.2.1.2 Holder may deliver a notice ("Redemption Notice") to the Company in which it requires the Company to redeem all Unredeemed Preference Shares at such time, and on receipt of which the Company shall be obliged to redeem all such Preference Shares unconditionally and in full for the applicable Redemption Amount on the Business Day immediately following the date on which the Holder delivers the applicable Redemption Notice to the Company:

29.6.2.1.2.1 if the Company or the Grantor commits an act of insolvency (which, if it were a natural person, would be an act of insolvency) in terms of section 8 of the Insolvency Act, No. 24 of 1936, as amended;

29.6.2.1.2.2 if the Company and/or the Grantor is removed from the register of companies or placed under provisional or final liquidation or sequestration or provisional or final curatorship or judicial management or takes steps for its voluntary winding-up or sequestration;

29.6.2.1.2.3 notice is given of a meeting of the shareholders or directors of the Company and/or the Grantor at which a resolution to take any of the steps envisaged in Article 29.6.2.1.2.2 will be tabled;

29.6.2.1.2.4 application is granted for a judicial manager, receiver, curator or similar officer to be appointed in respect of the Company and/or the Grantor;

29.6.2.1.2.5 the Company and/or the Grantor commits an act as defined in section 344 of the Companies Act;

29.6.2.1.2.6 the Company and/or the Grantor is unable to pay its debts, suspends or threatens to suspend payment of all or a material part of its Indebtedness to any other creditors, commences negotiations and takes any other step with a view to the deferral, rescheduling or other readjustment of all its Indebtedness to creditors (or of any part of such Indebtedness which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a part of the Indebtedness of the Company and/or the Grantor;

29.6.2.1.2.7 any repudiation by the Company and/or the Grantor, as the case may be, of:

29.6.2.1.2.7.1 any Relevant Document; or

29.6.2.1.2.7.2 any of its/his/her respective obligations under any of the Relevant Documents,

without the prior written consent of the Holder;

29.6.2.1.2.8 save where provided for in other event in this Article 29.6.2.1.2, if:

29.6.2.1.2.8.1 any security constituted by the Pledge or the Put Option Agreement ceases to confer the security it created when originally granted or is not validly created; and/or

29.6.2.1.2.8.2 any event occurs which renders, will render or may have the effect of rendering any of the Pledge or the Put Option Agreement (or the security constituted thereby), or anything done lawfully or to be done in terms thereof or done lawfully or to be done in terms of any security granted thereunder, illegal, invalid or unenforceable,

and such event, illegality, invalidity or unenforceability is not rectified or agreement upon alternative provisions or security, as the case may be, acceptable to the Holder is not reached within 5 (five) Business Days (or such longer period as may be agreed to by the Holder and the Company) after receipt by the Company of written notice from the Holder advising the Company of the relevant event;

29.6.2.1.2.9 any Relevant Dividend, Redemption Amount, Additional Redemption Amount or other amount (or any part thereof) is not declared and/or paid on its respective due date in accordance with this Article 29 (regardless of: (1) whether such amount was declared or not or; (2) whether such non-payment was due to an insufficiency of distributable profits or for any other reason whatsoever; or (3) whether such payment was possible in Law) and such failure is not remedied within 5 (five) Business Days after receipt by the Company of a written notice from the Holder requiring such failure to be remedied;

29.6.2.1.2.10 any acts are committed by the Company which are *ultra vires* the Company's memorandum and/or Articles of association and which affect or may affect (in the reasonable opinion of the Holder) the ability of the Company to discharge its obligations, undertakings, warranties and representations to the Holder under, in respect of or pursuant to this Article 29 and/or the Holder's subscription for and/or holding of the Preference Shares, and such act is not remedied within 5 (five) Business Days after receipt by the Company of a written notice from the Holder requiring such act to be remedied;

29.6.2.1.2.11 if:

29.6.2.1.2.11.1 the Company or the Grantor breaches or fails to observe any term, obligation, undertaking, representation and/or warranty under any Relevant Document to which it is a party; and/or

29.6.2.1.2.11.2 any representation or warranty made or repeated by the Company or the Grantor in or pursuant to any of the Relevant Documents to which it is a party, or in any document, notice, certificate or statement referred to in or delivered under any such document/agreement, is or proves to have been incorrect or misleading when made,

and such breach or failure is not remedied within 5 (five) Business Days after receipt by the Company of a written notice from the Holder requiring such breach failure or breach to be remedied;

29.6.2.1.2.12 any event or series of events occur or circumstance arises which has or is likely to have a Material Adverse Effect, and such event or series of events is not remedied within 5 (five) Business Days of the date of receipt by the Company of written notice from the Holder requiring such event or series of events to be remedied;

29.6.2.1.2.13 any final judgment of any court or arbitration award in excess of R100 000 (one hundred thousand Rand) being given against the Company or the Grantor and remaining unsatisfied for a period of 15 (fifteen) Business Days of it being given or the Company or the Grantor (as the case may be) fails to take steps for its rescission or to note an appeal within such time, or fails to proceed diligently with such rescission or appeal or, having applied for its rescission or noted an appeal, fails to obtain it within a reasonable time;

29.6.2.1.2.14 a Put Option Exercise Event (as such term is understood in the relevant Put Option Agreement) occurs under the Put Option Agreement, and such event is not remedied within 5 (five) Business Days after receipt by the Company of a written notice from the Holder requiring such event to be remedied;

29.6.2.1.2.15 any material asset of the Company is attached under a writ of execution and the Company fails to stay such execution or such execution remains unfulfilled for more than 21 (twenty-one) Business Days after having been notified thereof in writing; and/or

29.6.2.1.2.16 any Indebtedness (whether separately or in aggregate, and other than pursuant to this article 29) of the Company or the Grantor in an amount of R100 000 (one hundred thousand Rand):

29.6.2.1.2.16.1 is or is declared to be or is capable of being rendered due and payable before its agreed or normal maturity by reason of any actual or potential default, event of default or the like (howsoever described); or

29.6.2.1.2.16.2 if not paid when due or within the applicable grace period in any agreement relating to that Indebtedness or, as a result of any actual or potential default, event of default or the like (howsoever described), any facility relating to such Indebtedness is or is declared to be or is capable of being cancelled or terminated before its agreed normal expiry date, and such event is not remedied within 5 (five) Business Days after receipt by the Company of a written notice from the Holder requiring such event to be remedied,

provided that the Company shall not be obliged, notwithstanding the occurrence of any event referred to in this Article 29.6.2.1.2 or at any time while such event is Continuing, to redeem any Preference Share pursuant to this Article 29.6.2.1.2 prior to the delivery to the Company of a Re-demption Notice with respect to that particular event.

29.6.3 ***Premium on Redemption***

The premium portion of any Redemption Amount may be paid out of share premium, or out of any other fund, profits or account which the Company may lawfully use for such payment.

29.6.4 ***Payments to Shareholders***

Subject to the applicable provisions of the Act, these Articles shall not be construed as limiting the ability of the Company to pay any Preference Dividends out of the capital of the Company. Accordingly, if the Company does not have sufficient profits or reserves in order to pay any amounts due to a Holder on redemption of any Preference Shares in terms of these Articles, but is able to make a payment to the Holder in terms of section 90 of the Companies Act, 1973 (as amended), the Holder shall be entitled to request the Company, and the Company shall pay such amounts by way of a payment to the Holder in terms of section 90 of the Companies Act, 1973 (as amended).

29.6.5 ***Surrender of Share Certificates***

Upon the unconditional receipt by a Holder in full of the applicable Redemption Amount in respect of the relevant Preference Shares being redeemed, such Holder shall surrender to the Company the certificates relating thereto in order that same may be cancelled. If any certificate surrendered pursuant to any redemption of any of the Preference Shares of a Holder includes any Preference Shares not being redeemed on the occasion on which it is so surrendered, then a new certificate for the remainder of the Preference Shares of such Holder not so being redeemed shall be issued free of charge to such Holder.

29.6.6 ***Rights of the Holder under the Relevant Documents***

29.6.6.1 The fact that the Company has elected or has become obliged to redeem any of the Preference Shares in terms of this article 29 shall not prejudice any of AfroCentric's rights in terms of the Put Option Agreement or the Pledge, and AfroCentric shall remain entitled at any time thereafter and from time to time to exercise it rights under:

29.6.6.1.1 the Pledge in accordance with the terms thereof; and

29.6.6.1.2 the Put Option in accordance with the terms of the Put Option Agreement in respect of all of the Unredeemed Preference Shares held by AfroCentric at the relevant time.

29.7 **Notice and Voting**

29.7.1 The Company shall send to every Holder a copy of every circular, notice, agenda or other like document issued by the Company at the same time as they are sent to ordinary shareholders of the Company.

29.7.2 Each Holder shall be entitled to attend and vote, either in person or by proxy, at any general meeting of the Company if one or more of the following circumstances prevail as at the date of such general meeting:

29.7.2.1 during any period during which any Dividend or any part of any Dividend on which such Preference Shares or any Redemption Amount thereon in arrear and unpaid; or

29.7.2.2 a resolution of the Company is proposed which affects any of the rights and privileges attached to the Preference Shares or the rights of that Holder pursuant to its subscription for and holding of the Preference Shares:

provided that in all other circumstances, a Holder shall not be entitled to attend or vote, either in person or by proxy, at any general meeting of the Company.

29.7.3 At every meeting of the Company at which a Holder of the Preference Shares is entitled to vote, the provisions of these Articles relating to general meetings of ordinary members shall apply, *mutatis mutandis*, except that:

29.7.3.1 a quorum at any such meeting shall be any person or persons holding or representing by proxy at least $^1/_4$ (one-quarter) of the issued Preference Shares, provided that if AfroCentric itself holds any Preference Shares, AfroCentric itself must be present at all times to constitute a quorum; and

29.7.3.2 the Preference Shares in issue shall collectively have so many votes as is equal to 25% (twenty-five per centum) less one of all of the votes attributable to all of the issued shares in the Company (including all the Preference Shares); and

29.7.3.3 all resolutions put to such meeting shall be voted by way of a poll.

29.8 **Manner of Payment**

Payment in respect of any of the Relevant Dividends and any other payments to be made by the Company pursuant to in this Article 29, shall be made by electronic transfer for credit to an account nominated in writing by the relevant Holder, in immediately available funds, free of exchange or other deduction without right of withholding or reduction, deferment or avoidance by virtue of any counterclaim or set-off.

29.9 **Subscription for Preference Shares**

29.9.1 If any Preference Shares have become redeemable, a Holder shall be entitled to subscribe at par for redeemable preference shares in the issued share capital of the Company (which preference shares shall, *mutatis mutandis*, have the same rights and privileges as those set out in this Article 29) up to an aggregate subscription amount equal to the par value of the Preference Shares which have not been redeemed and upon such subscription, the Company shall immediately issue such redeemable preference shares to the Holders who elects to enforce their rights in terms of this Article 29.9. Immediately after such fresh issue the Company shall redeem the Preference Shares using the subscription price arising from the fresh issue to pay the par value of the Preference Shares in accordance with section 98 of the Companies Act, 1973 (as amended).

29.9.2 The holders of the ordinary shares and all other classes of shares in the capital of the Company irrevocably and *in rem suam* appoint the Holder as their attorney and agents to pass such special resolution and any special resolution necessary to increase the authorised share capital of the Company to include the preference shares referred to in Article 29.9.1.

29.10 **Certification**

Save where specifically otherwise provided in this Article 29, any certificate signed by any director or manager of a relevant Holder (whose authority, qualification or appointment need not be proved) setting out the amount of any Indebtedness of the Company to that Holder pursuant to or arising from this article 29, shall be *prima facie* proof of the amount of the Indebtedness and the facts stated therein, constitute sufficient particularity for the purposes of pleading and trial in any action and in the absence of evidence to the contrary, be sufficient proof for the purposes of obtaining provisional sentence, summary judgement or any other judgement or order.

29.11 **Bank Accounts**

29.11.1 Until all the Preference Shares have been redeemed unconditionally in full in accordance with this Article 29, the Company shall operate and maintain only one banking account which shall be held at Nedbank.

29.11.2 The Company shall, forthwith on receipt by it of any income, dividend or other receipt of whatsoever nature, pay such amount into the said banking account (or cause same to be credited to such account). The Company may only use the amounts standing to the credit of the this bank account to make the following payments, strictly in the following order of priority:

29.11.2.1 payment of STC which is payable by the Company;

29.11.2.2 payment of all and any Taxes and the cost of administration of the Company in an amount not exceeding R150 000 (one hundred and fifty thousand Rand) per annum;

29.11.2.3 payment of any:

29.11.2.3.1 unpaid Penalty Preference Dividends at such time;

29.11.2.3.2 thereafter, any unpaid Arrear Preference Dividends at such time;

29.11.2.3.3 thereafter, any Preference Dividends then due;

29.11.2.3.4 thereafter, any other amounts due or payable to the Holder in terms of this Article 29,

provided expressly that the aforesaid priority of payments shall not apply to any amounts to be paid to a Holder on redemption of any Preference Share (including any Additional Redemption Amounts).

29.12 **Unclaimed Amounts**

29.12.1 Any unclaimed Relevant Dividend, Redemption Amount or Additional Redemption Amount:

29.12.1.1 shall not bear interest against the Company; and

29.12.1.2 shall be held by the Company in trust until claimed by the person entitled thereto, provided that if the Company is wound up in any manner whatsoever, such unclaimed amount shall be paid over to the Guardian's Fund for the benefit of the person entitled thereto.

29.13 **Transfer of the Preference Shares**

29.13.1 A Holder shall be entitled to transfer some or all of that Holder's Preference Shares and any or all of its respective rights and obligations under or in connection with that Holder's Preference Shares, at any time to:

29.13.1.1 the Grantor in terms of the Put Option Agreement; or

29.13.1.2 its Holding Company or to any of its or its Holding Company's Subsidiaries or Holding Companies; or

29.13.1.3 any third party or parties with the prior consent of the Company, which consent shall not be unreasonably withheld or delayed.

29.13.2 Notwithstanding anything to the contrary contained in these Articles, any restrictions contained in the Memorandum and/or Articles of Association of the Company (other than this Article 29) that apply to the transfer of shares (whether ordinary or preference shares) shall not apply to the Preference Shares and/or any transfer of shares under the Pledge.

29.14 **Conflict**

Notwithstanding anything to the contrary contained in these Articles, if there is any conflict between the Memorandum and/or Articles of Association of the Company (other than this Article 29) and the provisions of this Article 29, the provisions of this Article 29 shall prevail.

PUT OPTION EVENTS IN TERMS OF THE PUT OPTION AGREEMENT

1.1 Unless the context expressly provides otherwise, all terms used in the Annexure "A" shall have the meanings assigned to them in the Put Option Agreement to which this Annexure "A" is annexed, and cognate terms shall have corresponding meanings:

1.2 For purposes of this Annexure "A":

1.2.1 "Consolidated EBITDA" – as at any date, the aggregate of any and all consolidated earnings of the Jasco Group during the Relevant Period relating to such date, before interest paid (including interest paid in terms of any off balance sheet financing structure), taxation, depreciation, amortisation and royalty payments during such period, after abnormal items for that period, less any extraordinary items for that period;

1.2.2 "Consolidated Net Interest Bearing Debt" – as at any date, the aggregate of any and all consolidated debts of an interest bearing nature of the Jasco Group at such date, including contingent liabilities, redeemable preference shares, redeemable debentures of the Jasco Group as at such date (including, without limitation, all and any interest obligations or other obligations which are in substance of a substantially similar nature to interest which are payable in terms of any off balance sheet financing structure), less the aggregate of any and all consolidated cash standing to the credit of each member of the Jasco Group as at such date;

1.2.3 "Consolidated Net Interest Paid" – as at any date, the aggregate of any and all the consolidated interest paid by all the members the Jasco Group during the Relevant Period relating to such date (including, without limitation, all and any interest obligations or other obligations which are in substance of a substantially similar nature to interest which are payable in terms of any off balance sheet financing structure), less the aggregate of any and all consolidated interest received by the members of the Jasco Group during such period;

1.2.4 "Interested Party" – any of:

1.2.4.1 the Grantor;

1.2.4.2 the Company;

1.2.4.3 any other member of the Jasco Group which, from time to time, holds assets the aggregate gross value of which constitutes more than 10% (ten percent) of the aggregate gross value of all the assets of the Jasco Group (a " Relevant Member"); and

1.2.5 "Interest Cover Ratio" – Consolidated EBITDA divided by Consolidated Net Interest Paid; and

1.2.6 "Leverage Ratio" – Consolidated Net Interest Bearing Debt divided by Consolidated EBITDA.

1.3 Put Events

1.3.1 Any Interested Party repudiates any of the Relevant Documents to which it is a party, or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the Relevant Documents to which it is a party, and such repudiation is not remedied within 5 (five) Business Days of the date of receipt by the Grantor of written notice from AfroCentric requiring such matter to be remedied;

1.3.2 Any of the Relevant Documents is terminated by any party thereto (other than AfroCentric) without the prior written consent of AfroCentric;

1.3.3 Any Insolvency Event occurs in relation to any Interested Party (or, if applicable, any equivalent or analogous proceedings under the law of the jurisdiction in which an Interested Party is incorporated or any jurisdiction in which such Interested Party carries on business) without the prior written consent of AfroCentric, and in the case of any Relevant Member such failure is not remedied within 5 (five) Business Days after receipt by the Grantor of a written notice from AfroCentric requiring such failure to be remedied;

1.3.4 Any final judgment of any court or arbitration award in excess of R1 000 000 (one million Rand) being given against the Company or any other Interested Party and remaining unsatisfied for a period of 5 (five) Business Days of it being given or the relevant Interested Party fails to take steps for its rescission or to note an appeal within such time, or fails to proceed diligently with such rescission or appeal or, having applied for its rescission or noted an appeal, fails to obtain it within a reasonable time;

1.3.5 Any failure by the Company to redeem the Preference Shares on due date and/or to declare and/or pay any amount to AfroCentric on due date (whether due to an insufficiency of distributable profits or for any other reason whatsoever, and regardless of whether it was possible in law or not) in accordance with the Subscription Agreement as read with the Preference Share Terms and Conditions, and such failure is not remedied within 5 (five) Business Days after receipt by the Grantor of a written notice from AfroCentric requiring such failure to be remedied;

1.3.6 save where provided for in any other Put Option Exercise Event, if:

1.3.6.1 any security constituted by the Relevant Documents ceases to confer the security it created when originally granted or is not validly created; and/or

1.3.6.2 any event occurs which renders, will render or may have the effect of rendering any of the Relevant Documents or anything done or to be done pursuant thereto or done or to be done in relation to any security for the obligations of any Interested Party thereunder, illegal, invalid or unenforceable,

and such event, illegality, invalidity or unenforceability is not rectified or agreement upon alternative security or provisions acceptable to AfroCentric, as the case may be, is not reached within 5 (five) Business Days (or such longer period as may be agreed to by the Parties in writing) after receipt by the Grantor of notice from AfroCentric advising the Grantor of the relevant event;

1.3.7 Any:

1.3.7.1 breach or failure to observe by any Interested Party of any term, obligation, undertaking, representation and/or warranty under any Relevant Document to which it is a party; and/or

1.3.7.2 representation or warranty made or repeated by any Interested Party in or pursuant to any of the Relevant Documents to which it is a party, or in any document, notice, certificate or statement referred to in or delivered under any such document/agreement, is or proves to have been incorrect or misleading when made,

and such event is not remedied within 5 (five) Business Days after receipt by the Grantor of a written notice from AfroCentric requiring such event to be remedied:

1.3.8 Any:

1.3.8.1 consent, authorisation, approval or licence which is material to the business of an Interested Party is materially and adversely amended or is terminated or not renewed (in each case, without a replacement being put in place with which AfroCentric (acting reasonably) is satisfied) or is otherwise adversely appealed or challenged or an Interested Party breaches (other than in relation to any breach or challenge which AfroCentric (acting reasonably) considers to be not material) any term or condition of any consent, authorisation, approval or licence;

1.3.8.2 Indebtedness (whether separately or in aggregate) of an Interested Party in excess of R1 000 000 (one million Rand) is not paid when due or when it becomes due and payable, or any of the creditors of an Interested Party becomes entitled to declare any such Indebtedness due and payable, prior to the date when it would otherwise have become due or any guarantee or indemnity given by an Interested Party in respect of an Indebtedness is not honoured when due and called upon;

1.3.8.3 cessation of an Interested Party's normal business;

1.3.8.4 steps are taken to enforce any Encumbrance (other than an Encumbrance in favour of AfroCentric under the Relevant Documents) over all or any part of the assets and/or undertaking of any Interested Party;

1.3.8.5 Preference Share is or becomes invalid, defective (from what such Preference Share purported to be on the Issue Date), void or voidable in any manner and for any reason;

1.3.8.6 defect or irregularity in the rights acquired by AfroCentric under any of the Relevant Documents (which is not provided for in any other Put Option Exercise Event) occurs and is continuing; and/or

1.3.8.7 breach by any Interested Party of any provision of, or event of default (howsoever described) occurs under, any agreement (other than any of the Relevant Documents) between one or more Interested Parties (on the one hand) and any of their respective bankers (on the other hand), and such breach or event of default is not remedied within the relevant grace period provided for in the relevant agreement,

and such event is not remedied within 5 (five) Business Days of the date of receipt by the Grantor of written notice from AfroCentric requiring such event to be remedied;

1.3.9 If, for whatever reason, the Grantor fails to ensure that:

1.3.9.1 the Interest Cover Ratio on any date specified in column 1 below, equals or exceeds the number set out in column 2 below opposite that date:

Column 1 **Relevant Period**	**Column 2** **Ratio**
On any date between the Issue Date and 28 February 2009 (both days inclusive)	2.4
On any date after 28 February 2009	2.4; and

1.3.9.2 the Leverage Ratio on any date specified in column 1 below, shall not exceed the number set out in column 2 below opposite that date:

Column 1 **Relevant Period**	**Column 2** **Ratio**
On any date between the Issue Date and 28 February 2009 (both days inclusive)	3.5
On any date after 28 February 2009	3.5,

and such failure is not rectified or agreement upon alternative provisions acceptable to AfroCentric, as the case may be, is not reached within 5 (five) Business Days (or such longer period as may be agreed to by the Parties in writing) after receipt by the Grantor of notice from AfroCentric advising the Grantor of the relevant failure.

The financial covenants set out in sub-clauses 1.3.9.1 and 1.3.9.2 shall be calculated by AfroCentric from time to time in accordance with the GAAP and shall be based on the financial information of the Grantor Group which is available to AfroCentric at that time and from time to time. A certificate under the hand of any manager of AfroCentric, whose designation, status and authority need not be proved, determining whether or not the above financial covenants as set out in sub-clauses 1.3.9.1 and 1.3.9.2 above have been breached or met, shall be prima facie evidence as to whether the financial covenants have been met or breached, as the case may be;

1.3.10 AfroCentric becoming entitled to deliver a Redemption Notice to the Company in terms of article 29 of the Company's articles of association, and the event giving rise thereto is not remedied within 5 (five) Business Days of the date of receipt by the Grantors of written notice from AfroCentric requiring such event to be remedied;

1.3.11 Any event or series of events occur or circumstance arises which has or is likely to have a Material Adverse Effect, and such event or series of events is not remedied within 5 (five) Business Days of the date of receipt by the Grantor of written notice from AfroCentric requiring such event or series of events to be remedied;

1.3.12 If:

and such event or series of events is not remedied within 5 (five) Business Days of the date of receipt by the Grantor of written notice from AfroCentric requiring such event or series of events to be remedied; and/or

1.3.13 The liabilities (excluding subordinated liabilities) of an Interested Party exceed its assets (fairly valued) and such circumstances are not remedied within 5 (five) Business Days of the date of receipt by the Grantor of written notice from AfroCentric requiring such situation to be remedied.

AFROCENTRIC
INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1988/000570/06)
JSE Codes: ACT, ACTP ISIN: ZAE000078416, ZAE000082269

REVISED LISTING PARTICULARS

The definitions commencing on page 7 of the circular apply mutatis mutandis to this page.

These Revised Listing Particulars are not an invitation to the public to subscribe for AfroCentric shares but are issued for the purpose of giving information to AfroCentric shareholders with regard to the Company.

These Revised Listing Particulars have been prepared on the assumption that the ordinary resolutions proposed in the notice of general meeting forming part of the circular to which these Revised Listing Particulars are attached will be passed at the shareholders meeting to be held on Monday, 26 May 2008 commencing at 10:00.

The directors, whose names are given in paragraph 2 of the Revised Listing Particulars, accept collectively and individually, full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that these Revised Listing Particulars contain all information required by law and the Listings Requirements.

Investment bank and transaction sponsor to AfroCentric

NEDBANK CAPITAL

Legal advisers to AfroCentric

H R LEVIN
Attorneys, Notaries and Conveyancers

Independent reporting accountants to AfroCentric and independent reporting accountants for the MTec acquisition

ERNST & YOUNG
Chartered Accountants (SA)
(Registered Accountants and Auditors)

Sponsor to AfroCentric

sasfin
CAPITAL

Auditors to AfroCentric

SizweNtsaluba VSP
est.1985

Copies of these Revised Listing Particulars may be obtained in English only at the Company's registered office and the Nedbank Capital offices during normal business hours from Friday, 9 May 2008 until Monday, 26 May 2008. Details of AfroCentric and Nedbank Capital's address are set out in the "Corporate information and advisers" section of the circular.

CORPORATE INFORMATION AND ADVISERS AND DEFINITIONS

Details of the corporate information and the advisers are set out on page 1 of the circular of which these Revised Listing Particulars form part.

The definitions commencing on page 7 of the circular apply to these entire Revised Listing Particulars.

CONTENTS

(Incorporated in the Republic of South Africa)
(Registration number 1988/000570/06)
JSE Codes: ACT, ACTP   ISIN: ZAE000078416, ZAE000082269

REVISED LISTING PARTICULARS

1. INCORPORATION, HISTORY, CHANGES IN BUSINESS AND DESCRIPTION OF BUSINESS

1.1 Incorporation, history and changes in business

AfroCentric was incorporated in 1988 in South Africa under the name WB Holdings Limited. Prior to becoming a cash shell in December 2005 WB Holdings, a JSE-listed entity, was principally engaged in the holding of investments in deciduous fruit farms in the Grabouw and Villiersdorp areas situated in the Western Cape. On 20 December 2005 Messrs Meyer Kahn and Michael (Motty) Sacks purchased 80% of the issued share capital, which resulted in a change in control of the Company and the Company's name was changed to AfroCentric with effect from 19 May 2006. Their purpose was to reconstitute AfroCentric, which was then a cash shell, as a broad-based black empowered diversified investment holding company that would actively participate in the economic transformation presently occurring in South Africa. Pursuant to this objective a leading group of fellow directors have been appointed to the Board, namely Ms Brigalia Bam, Ms Nomhle Canca, Mr Mandla Gantsho, Mr Brian Joffe and Prof Derrick Swartz.

1.2 Description of business

AfroCentric looks to invest in enterprises that could materially benefit from its principal BEE status and the entrepreneurial and intellectual capital which resides in the Company. The investment philosophy of AfroCentric is strictly commercial and embodies the active participation in or management of the selected investments, depending on the circumstances in each case.

2. DIRECTORS OF AFROCENTRIC

2.1 Directors of AfroCentric

The name, age, qualification, nationality, business addresses and function of each of the directors of AfroCentric at the last practicable date are set out below:

Name, age, qualification and nationality	Business address	Function
Ntombemhlophe Brigalia Bam (Chair) (66)* MComm South African	Election House 260 Walker Street Sunnyside 0002	Election Commissioner and Social Worker
Nomhle Mbali Jacqueline Canca (42)* BA (Political Science) BA (Economics) South African	10th Floor Old JSE Building Diagonal Street Newtown 2001	Chief Executive of Blue IQ

Name, age, qualification and nationality	Business address	Function
Mandla Vulindlela Gantsho (45)* CA(SA), MSc South African	1258 Lever Road Headway Hill Midrand 1685	Vice-President, Operations North, East and South Africa Region of The African Development Bank
Brian Joffe (60)* CA(SA) South African	Bidvest House 18 Crescent Drive Melrose Arch 2193	Chief Executive of The Bidvest Group Limited
Jacob Meyer Kahn (68)* BA LLB, MBA South African	2 Jan Smuts Avenue Braamfontein 2001	Chairman of SABMiller plc
Michael Ivan Sacks (65) CA(SA) South African	76 Maude Street Sandton 2196	Non executive director of Netcare Limited
Professor Derrick Ian Swartz (47)* PhD South African	The Nelson Mandela Metropolitan University University Way, Summerstrand Port Elizabeth, 6001	Vice-Chancellor of the Nelson Mandela Metropolitan University

*Non-executive.

Abridged *Curricula vitae* of the AfroCentric directors are set out below:

Ms N Brigalia Bam *(Chair)*

Ntombemhlophe Brigalia Bam chairs the Independent Electoral Commission. She gained prominence through her work as general secretary of the SA Council of Churches and has served on numerous boards in South Africa and abroad, including the SABC, Murray & Roberts, Absa and the Institute for Global Dialogue. She has also served on the boards of the SA Human Rights Commission, the Open Society Foundation, The Society for International Development, the All Africa Council of Churches and Unisa. Bam is the founder president of the Women's Development foundation and outgoing Chancellor of the University of Port Elizabeth.

In 2004, Bam received the National Order of the Baobab for her role in the upliftment of women and her contribution to bring about democracy in South Africa.

A qualified social worker, Bam holds a masters degree in communication from the University of Chicago. She has received numerous honorary doctorates and awards in recognition of her commitment to democracy and human rights, especially the rights of women.

Ms Nomhle Canca

Nomhle Canca is CEO of Blue IQ Investment Holdings, an investment arm of the Gauteng provincial government, which develops strategic infrastructure investment products that have an economic and social impact. She was previously chair and CEO of Canca Financial Services, a private equity company.

Earlier, she was executive director and a co-founder of Woman Investment Portfolio Holdings and the Women's Development Bank. She is a director of Anglovaal Industries Limited, Pareto and Primedia. She was educated in the US and qualified as a stockbroker on the New York Stock Exchange, Inc. and as an investment adviser in Georgia.

Her work experience includes spells with Merrill Lynch in the US and Anglo American and Capital Alliance in Johannesburg. Since 1996, she has sat on the Katz Commission on Taxation.

Mr Mandla Gantsho

Mandla Gantsho was recently appointed as Vice President, Operations, North, East and South Africa Region of The African Development Bank (ADB). His primary responsibilities include infrastructure development, NEPAD and coordination with the private sector.

Until this recent appointment Mr Gantsho was Chief Executive of the Development Bank of Southern Africa (DBSA). He joined the DBSA in 1995 as chief financial officer and took over as CEO in 2001, when he also joined the board of the bank. He was executive financial manager of the bank from 1995 to 2000.

Mr Gantsho's appointment to ADB is a testament to the respect he earned and his successes at the DBSA.

He has also worked for Mobil Oil (now Engen), the wider Transnet group and the World Bank's private equity arm, the International Finance Corporation. He has served on presidential task forces, including the Financial & Fiscal Commission and the commission of inquiry into the rapid depreciation of the Rand in 2001. Gantsho is a director of petrochemical group Sasol Limited.

He is a CA(SA) and holds an MSc in project management from George Washington University in the USA, a BCom Hons and a CTA from UCT and a BCom from the University of the Transkei.

Mr Brian Joffe

Brian Joffe graduated from the University of the Witwatersrand in 1971 as a Chartered Accountant. He served Articles with a firm of accountants – Levitt Kirson Gross. After graduating he worked in Israel for three years before returning to South Africa where he bought a half-share in a pet food business, acquiring the full shareholding a year later. The business was sold profitably in the following year to Tongaat, a major food group within the Anglo American stable.

After some time in the USA he returned to South Africa to join Standard Merchant Bank as a consultant in their corporate finance division where he met Mannie Simchowitz who was establishing W & A. Mr Joffe joined W & A as chief executive of E W Tarry plc which was listed on the London Stock Exchange in August 1983. In 1987 he became managing director of W & A. He initiated the sale of W & A later that year after which he left the group in May 1988.

In November 1988 he gained control of a JSE-listed cash shell. The name was changed to Bid Corporation Limited with Brian as executive chairman. The Bidvest Group Limited (Bidvest) was floated.

In 1995 he was elected by the *Sunday Times* as one of South Africa's top five businessmen of the year. He was elected as one of the top South African Jewish Business Achievers for 1995.

Bidvest employs 104 000 people, has a market capitalisation of approximately R38 billion and operates in southern Africa, the United Kingdom, continental Europe, Australia and New Zealand.

Mr J Meyer Kahn

After obtaining his BA Degree (Law) and MBA at the University of Pretoria, Meyer Kahn entered the business world in Pretoria as a junior manager with the OK Bazaars retail chain. After rapid progress, he later occupied executive positions in both Afcol and Amrel. In 1977 he returned to the OK Group as Chief Executive Officer. In 1981 he was appointed a director of SA Breweries Group, Group Managing Director in 1983 and Executive Chairman in 1990.

Mr Kahn served on the boards of 16 listed companies and as a trustee of numerous organisations and is also a past-president of The South Africa Foundation.

He has received a number of notable awards, among others: one of the country's five Top Businessmen in 1983; Marketing Man of the Year in 1987; and Business Manager of the Year in 1990. During 1991 he received the Award for Business Excellence from the University of the Witwatersrand. He was also honoured by the University of Pretoria as Professor Extraordinaire (1989) and by way of an honorary doctorate in Commerce (1990). He was also awarded SOE in recognition of outstanding service rendered in SAPS in 2000.

On 1 August 1997, Mr Kahn commenced his two-and-a-half year secondment to the South African Police Service as its Chief Executive. On 1 January 2000, he returned to the Braamfontein offices of South African Breweries plc to reassume his position as Chairman. In July 2002, on completion of the transactions with the Miller Brewing Company of the USA, he became Chairman of SABMiller plc.

Mr Michael (Motty) I Sacks

Motty Sacks graduated from the University of the Witwatersrand in 1967 and was admitted as a Public Accountant and Auditor in 1968. He was admitted as an Accountant and Auditor in the United Kingdom and Israel in 1974 and 1978, respectively.

In 1968, he entered private practice as a Public Accountant and Auditor but retired in 1972 to form a specialised consultancy practice dealing more specifically in mergers, acquisitions, corporate rescue and insolvency matters.

During his 25 years as a Financial Consultant, Mr Sacks served as a non-executive director on the boards of several listed institutions and continues to serve in that capacity as well as being the chairman/member of several board committees.

In addition to his corporate involvement, Mr Sacks serves on several charity committees, community trusts and consults in an honorary capacity as a mentor and adviser to several black empowerment entities.

Mr Sacks is also an member of the International Association of Political Consultants and has served the Association for the past 25 years.

He is the Chairman of Netcare, having co-founded the company with Dr Jack Shevel in 1996. He is also the Chairman of AdVtech Limited, one of South Africa's leading education institutions.

Professor Derrick I Swartz

Derrick Ian Swartz is currently the Vice-Chancellor of the Nelson Mandela Metropolitan University ("NMMU"). He joined the University of Fort Hare on his return from exile, first as Director of the Institute of Government and then as Vice-Chancellor in 1999. He assumed the helm when the university was on the brink of collapse. His bold and visionary rescue initiative, Strategic Plan 2000, resulted in a dramatic turn of fortune for UFH.

Swartz has served three successive terms as Deputy Chairman of the SA Vice-Chancellors' Association and sits on various boards: the SABC, the Liliesleaf (Rivonia) Trust, the Freedom Park Trust and the Dora Tamana Trust. He was a member of the Presidential Review Commission established by former president Nelson Mandela.

He has a BA from UWC and MA and PhD from Essex University (UK). He has been awarded one of South Africa's highest honours, the Supreme Order of the Baobab (Gold Class).

2.2 Qualification and remuneration of the directors of AfroCentric

The relevant provisions of the Articles pertaining to the qualification and remuneration of the directors of AfroCentric is set out in Annexure A to these Revised Listing Particulars. There is no power provided for in the Articles in terms of which directors are able to vote remuneration to themselves or any members of their board. Details of directors' remuneration for the most recent financial year ended 30 June 2007, are set out in paragraph 13 of the circular.

No fees have been paid, accrued or are proposed to be paid to any third party in lieu of directors' fees.

2.3 Directors' integrity

According to the Schedule 21 declarations completed by the directors of AfroCentric in terms of the Listings Requirements, none of the following clauses apply to any of the directors listed in paragraph 2.1 above: bankruptcies, insolvencies or individual voluntary compromise arrangements, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise arrangement with creditors, partnership voluntary arrangements, receivership of an asset of a partnership, public criticism by statutory or regulatory authorities, or disqualification by a court from acting as a director of a company or any offence involving dishonesty.

2.4 Borrowing powers of the Company

Details of the borrowing powers of the Company exercisable by the director, and the manner in which they may be varied, as extracted from the Articles are set out in Annexure A to these Revised Listing Particulars. The Company has not exceeded its borrowing powers in the three years preceding the date of issue of these Revised Listing Particulars.

2.5 Directors' beneficial interests in Afrocentric shares

Details of directors' interest in AfroCentric shares as at the last practicable date before the Transactions have been set out in paragraphs 14.1 and 14.2 of the circular.

Details of directors' interest in AfroCentric shares after the Transactions is set out below:

2.5.1 Directors' beneficial interests in AfroCentric ordinary shares

	Beneficial		Percentage
	Direct	Indirect	held(1)
Dr N B Bam	150 000	–	0.10
N M J Canca	150 000	–	0.10
Dr M S V Gantsho	250 000	–	0.18
B Joffe	–	–	0.00
J M Kahn	5 002 250	–	3.48
M I Sacks	–	–	0.00
Prof D I Swartz	150 000	–	0.10
	5 702 250	**–**	**3.96**

Note:

(1) Based on 143 954 741 ordinary shares in issue (refer note 5 of paragraph 8.2 of the circular).

2.5.2 Directors' beneficial interests in AfroCentric preference shares

The directors' interests in AfroCentric preference shares will remain the same as no additional preference shares will be issued to effect the Transactions.

2.6 Directors' interests in transactions

Details of AfroCentric directors' interests in transactions have been set out in paragraph 15 of the circular.

2.7 Directors' service contracts and term of office

Details of directors' contracts have been set out in paragraph 16 of the circular.

One third of the directors retire by rotation at each general meeting, who being eligible, may make themselves available for election. The election of new directors, if any, as proposed in terms of the provisions of the Articles, is ratified at each general meeting.

In terms of the Articles, an executive director may be appointed for a maximum period of five years.

As at the last practicable date, there was no agreement in place in terms of which an entity or person holds a contractual right relating to the appointment of any particular director or number of directors.

2.8 Other directorships held by AfroCentric directors

Details of all companies to which the directors are, or have been, appointed to as directors in the five years preceding the date of these Revised Listing Particulars are set out in Annexure B to these Revised Listing Particulars.

2.9 Loans granted to the directors of AfroCentric

No loans had been granted by AfroCentric or its subsidiaries to the directors of AfroCentric as at the last practicable date.

2.10 Sums paid to directors

No sums have been paid or agreed to be paid to any director in the three years preceding these Revised Listing Particulars to induce him or her to become or qualify him or her as a director of AfroCentric.

3. ASSETS, LIABILITIES AND OTHER FINANCIAL INFORMATION

3.1 Historical financial information

Details of historical financial information pertaining to AfroCentric is set out in Annexure 1 to the circular.

3.2 *Pro forma* financial information

Details of the unaudited *pro forma* financial information of AfroCentric regarding the Transactions has been set out in paragraph 8.2 and Annexure 6 to the circular.

3.3 Material changes

Details of material changes relating to AfroCentric, Jasco and MTec have been set out in paragraph 23 of the circular.

3.4 Loans and borrowings

Details of the AfroCentric group's material loans and borrowings have been set out in paragraph 8.3 of the circular.

3.5 Capital commitments, lease payments and contingent liabilities

As at the last practicable date, no material capital commitments or lease payments had been contracted for or approved by the directors and no contingent liabilities were in place.

3.6 Loans receivable

As at the last practicable date, neither the Company nor any of its subsidiaries had made any loans.

3.7 Subsidiary companies and inter-company loans

Details of AfroCentric's subsidiary companies are set out in Annexure G to these Revised Listing Particulars.

There were no inter-company balances before elimination on consolidation as at 30 June 2007, being AfroCentric's most recent year-end.

3.8 Property acquired or disposed of

There have been no material acquisitions or disposals of businesses, companies and properties or proposed acquisitions or disposals of businesses, companies and properties by the AfroCentric group during the three years preceding the date of issue of these Revised Listing Particulars.

3.9 Share price history

The share price history of AfroCentric ordinary shares traded on the JSE is summarised in Annexure C to these Revised Listing Particulars.

The price history of Jasco ordinary shares traded on the JSE is summarised in Annexure D to these Revised Listing Particulars.

3.10 Principal leasehold properties

As at the last practicable date, neither the Company nor any of its subsidiaries owned or leased any principal immovable properties.

4. SHARE CAPITAL

Details of AfroCentric's share capital are set out below.

4.1 Share capital

The table below sets out the share capital of AfroCentric's at the last practicable date prior to, and after the Transactions:

	Before the Transactions R'000
AfroCentric ordinary shares in issue	940(3)
AfroCentric redeemable preference shares in issue	166
AfroCentric share premium, net of expenses capitalised	97 203
Total share capital	**98 309**
	After the Transactions R'000
AfroCentric ordinary shares in issue	1 439(4)
AfroCentric redeemable preference shares in issue	166
AfroCentric share premium, net of expenses capitalised	226 586
Total share capital	**228 191**

Notes:

1. In terms of ordinary resolution number 5 proposed and approved at AfroCentric's annual general meeting on Tuesday, 15 January 2008, the unissued ordinary shares have been placed under the control of the directors.
2. No debentures issued by way of conversion or replacement of debentures previously issued by AfroCentric have taken place in the three years preceding these Revised Listing Particulars.
3. Based on 94 000 000 ordinary shares in issue.
4. Based on 143 954 741 ordinary shares in issue.

4.2 Preferential conversion or exchange rights, voting rights, rights to distributions and variation of rights

There are no preferential conversion or exchange rights attaching to the AfroCentric ordinary shares. Each preference shareholder has an option to convert their preference shares into ordinary shares subject to the terms and conditions set out in Annexure H to these Revised Listing Particulars.

On a show of hands, each ordinary shareholder present will be entitled to one vote regardless of the number of ordinary shares held, and on a poll, each member will be entitled to one vote for each ordinary share held. Details of voting rights pertaining to preference shareholders are set out in Annexure A to these Revised Listing Particulars.

Details of variation of rights attaching to securities, share rights pertaining to dividends and other rights including those on winding-up are set out in Annexure A.

4.3 Sub-division or consolidation of AfroCentric shares

There has been no sub-division or consolidation of AfroCentric's shares during the three years preceding the date of issue of these Revised Listing Particulars.

4.4 Issues of shares

Details of AfroCentric shares issued in the three years preceding the date of issue of these Revised Listing Particulars are set out in Annexure F to these Revised Listing Particulars.

4.5 Major and controlling shareholders

Insofar as is known to AfroCentric and on the assumption that the Transactions have taken place, the major ordinary shareholders who beneficially held 5% or more of the issued AfroCentric ordinary shares, as at the last practicable date, were as follows:

	Before the Transactions		After the Transactions	
Major AfroCentric ordinary shareholders	**Number of AfroCentric ordinary shares[1]**	**Percentage[1]**	**Number of AfroCentric ordinary shares[2]**	**Percentage[2]**
ACET	47 100 000	50.10	47 100 000	32.72
CIH	0	0	49 954 741	34.70
Total	**47 100 000**	**50.10**	**97 054 741**	**67.42**

Note:

1. Based on 94 000 000 ordinary shares in issue as at the last practicable date.
2. Based on 143 954 741 ordinary shares, being the ordinary shares that will be in issue further to the payment of the Acquisition Consideration.

As at the last practicable date, ACET was the controlling shareholder in the Company with a 50.1% interest. There will be no controlling shareholder after the Transactions.

5. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no Government protection or any investment encouragement law pertaining to any of the businesses operated by AfroCentric or its subsidiaries.

6. ROYALTIES

There are no material royalties or items of a similar nature payable or receivable by or to AfroCentric or its subsidiaries.

7. CODE OF CORPORATE PRACTICE AND CONDUCT

The Board endorses and has adopted and applied the Code of Corporate Practices and Conduct as set out in the King II Report. In supporting the Code, the directors of AfroCentric are committed to conducting the business affairs of AfroCentric with the utmost good faith, highest level of ethics and in accordance with generally acceptable practices within the constraints of industry norms, thus ensuring timely, relevant and meaningful reporting to AfroCentric shareholders and other stakeholders. Further details regarding Corporate Governance are set out in Annexure E to these Revised Listing Particulars.

8. LISTING ON OTHER STOCK EXCHANGES AND SHAREHOLDER SPREAD

The AfroCentric shares in issue are not listed on any other stock exchanges, nor is it intended at this stage to apply for a listing of AfroCentric shares on any other stock exchange.

AfroCentric's shareholder spread will still comply with paragraphs 3.37 and 4.28(e) and (f) of the Listings Requirements after the conclusion of the Transactions.

9. COMMISSIONS PAID IN RESPECT OF UNDERWRITING AND OTHER COMMISSIONS, DISCOUNTS OR BROKERAGES

No commissions in respect of underwriting have been paid in the three years preceding the date of issue of these Revised Listing Particulars for subscribing or agreeing to subscribe for any AfroCentric shares.

Further to the above, no commissions, discounts, brokerages or other special terms were granted during the three years preceding the date of issue of these Revised Listing Particulars in connection with the issue or sale of any AfroCentric shares, save as disclosed in the audited financial statements.

10. INTERESTS OF DIRECTORS AND PROMOTER

No promoter or director of AfroCentric has had a material beneficial interest in the promotion of AfroCentric or in any property acquired or proposed to be acquired by AfroCentric.

11. EXPENSES INCURRED

There were no preliminary expenses incurred by AfroCentric in the three years preceding the date of issue of these Revised Listing Particulars.

12. LITIGATION STATEMENT, MATERIAL CONTRACTS, EXPENSES RELATING TO THE TRANSACTIONS, THE DIRECTORS' RESPONSIBILITY STATEMENT, CONSENTS AND DOCUMENTS AVAILABLE FOR INSPECTION

Details regarding the litigation statement, material contracts, expenses relating to the Transactions, the directors' responsibility statement, consents and documents available for inspection are set out paragraphs 20, 22, 24, 25, 26 and 28 of the circular, respectively.

EXTRACTS FROM THE ARTICLES

The following extracts from the Articles of association of AfroCentric deal with variation of rights pertaining to shares, dividends, appointment of directors, remuneration, policy with regard to interests of directors and borrowing powers:

"10. VARIATION OF RIGHTS

S102

10.1 Subject to any right or restriction under which shares are held, the rights or restrictions attached to all or any shares of any class may be amended, modified, varied or cancelled by a general meeting, provided that no such amendment, modification, variation or cancellation which directly or indirectly adversely affects those special rights or restrictions shall be effected without –

10.1.1 the written consent or ratification of the holders of at least three-quarters of the shares in question; or

10.1.2 the approval of or ratification by a resolution passed at a separate general meeting of the holders of the shares in question in the same manner, *mutatis mutandis*, as a special resolution, and the provisions of these articles relating to general meetings shall apply to any such separate general meeting, except that a *quorum* at any such general meeting shall be a member or members present in person or by proxy holding at least one-third of the issued shares of the class in questions, provided that if a *quorum* is not present, the meeting shall be adjourned to the fifth business day thereafter and the members present or represented at the meeting to which the adjournment takes place, shall constitute a *quorum*.

10.2 Unless otherwise provided by the terms of issue or by these articles, any right or restriction attached to all or any class of shares shall be deemed not to be directly or indirectly adversely affected by –

10.2.1 the creation or issue of any other shares ranking *pari passu* with (but not in priority to) any such shares already issued by the company;

10.2.2 the cancellation in terms of the Act of any shares of any class in the capital."

"13. DIRECTORS

13.1 Subject to the provisions of the statutes:

S208(1)

13.1.1 unless otherwise determined by a general meeting, the number of directors shall be not less than four nor more than twenty;

13.1.2 no fewer than half of the directors appointed to the company shall be non-executive directors; and

S208 to S11

13.1.3 the first directors may be appointed by the subscribers to the memorandum.

S210

S211

S212

13.2 A general meeting of the directors shall have the power, from time to time, to appoint anyone as a director, either to fill a vacancy in the directors or as an additional director, provided that the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with these articles and the appointment of any director so appointed shall cease at the conclusion of the next annual general meeting, unless it is confirmed at that annual general meeting.

13.3 The continuing directors may act, notwithstanding any vacancy in their number, but if and for so long as their number is reduced below the minimum number of directors required to act as such for the time being, the continuing directors may act only to:

13.3.1 increase the number of directors to the required minimum; or

13.3.2 summon a general meeting for that purpose, provided that if there is no director able or willing to act, then any member may convene a general meeting for that purpose.

13.4 Neither a director nor an alternate director shall be obliged to hold any qualification shares.

13.5 The remuneration of the directors for their services as such shall be determined from time to time by a remuneration committee appointed by the board and ratified by members in a general meeting.

13.6 The directors shall be paid all travelling, subsistence and other expenses properly incurred by them in the execution of their duties in or about the business of the company and which are authorised or ratified by the directors."

"16. BORROWING POWERS

16.1 The directors may exercise all the powers of the company to borrow money and to mortgage or encumber its undertakings and property or any part thereof and to issue debentures or debenture stock (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the company or of any third party.

16.2 For the purposes of the provisions of 16.1, the borrowing powers of the directors shall be unlimited."

"22. DIVIDENDS AND OTHER PAYMENTS TO MEMBERS

22.1 Subject to the relevant provisions of the relevant statutes, the company may make payments to its members (or any of its members) from time to time. For the purpose of this Article and without detracting from the definition of "payment" ascribed to the word in the Act, payment will include any writing off or reduction in the company's issued share capital or share premium account in any manner authorised.

22.2 The company in general meeting (subject to obtaining the declaration of the directors referred to in Article 22.6) or the directors may from time to time declare a dividend to be paid or make any other payment to the members and to the holders of share warrants (if any) in proportion to the number of shares held by them in each class. Dividends shall be declared payable to members registered as such on a date subsequent to the date of the declaration of the dividend.

22.3 No larger dividend or other payment to members shall be declared by the company in general meeting that is recommended by the directors, but the company in general meeting may declare a smaller dividend.

22.4 Any dividend so declared or other payments approved may be paid and satisfied, either wholly or in part, by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or in cash or in any one or more of such ways as the company in general meeting or directors may at the time be declaring the dividend or approving the payment determine and direct.

22.5 Unless otherwise determined by the board of directors in respect of any particular dividend to be declared by the company, dividends shall not carry interest as against the company. Dividends may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the company may be chargeable. All unclaimed dividends or other payments to members contemplated in this Article may be invested or otherwise made use of by the directors for the benefit of the company until claimed, provided that dividends or other payments to members contemplated in this Article unclaimed for a period of not less than 3 (three) years from the date on which such dividends or other payments to members contemplated in this Article become payable and not previously forfeited may be forfeited by the directors for the benefit of the company.

22.6 The declaration of the directors as to whether –

22.6.1 the company is, or would be after the payment able to pay its debts as they become due in the ordinary course of business;

22.6.2 the consolidated assets of the company, fairly valued would, after the dividend or other payment not be less than the consolidated liabilities of the company,

shall be conclusive.

22.7 In the case where several persons are registered as joint holders of any share any one of such persons may give effectual receipts of all dividends and payments in respect of such share.

22.8 Each dividend, interest and other moneys payable to the registered holder of shares may be paid by cheque, warrant, coupon or otherwise as the directors may from time to time determine, and may, if paid otherwise than by coupon, be sent by post to the last registered address of the member entitled thereto, or any other address requested by him, or in the case of joint holders to that one of them first named in the register in respect of such joint holdings, and the payment of such cheque or warrant if purporting to be duly endorsed, or the surrender of any coupon, shall be a good discharge to the company in respect thereof.

22.9 Dividends or other payments shall be declared in the currency of the Republic.

22.10 The company shall be entitled at any time to delegate its obligations to any member in respect of unclaimed dividends or other payments, to any one of the company's bankers from time to time."

"25. WINDING-UP

S342

If the company is wound-up, whether voluntarily or compulsorily:

25.1 the assets remaining after payment of the liabilities of the company and the costs of winding-up shall be distributed amongst the members in proportion to the numbers of shares respectively held by them, subject to the rights of any members to whom shares have been issued on special conditions and subject to the company's right to apply set-off against the liability, if any, of members for unpaid capital or premiums;

25.2 the liquidator, with the authority of a special resolution, may divide amongst the members in specie or kind the whole or any part of the assets and whether or not those assets consist of property of one kind or different kinds."

OTHER DIRECTORSHIPS

The table below sets out the names of all the companies and partnerships and the nature of business of such companies and partnerships of which the directors of AfroCentric are, or have been, either directors or partners during the five years preceding the last practicable date:

Director	Name of company or partnership	Nature of business	Currently director/ partner
Ms N Brigalia Bam	South African Broadcasting Corporation	Broadcasting	Yes
	Murray & Roberts Holdings Limited	Construction and Engineering	Yes
	Institute for Global Dialogue	NGO specialising in analysis on global environment	Yes
	ABSA Group Limited	Financial Services	No
	SA Human Rights Commission	Governmental Organisation	No
Ms Nomhle Canca	Blue IQ Investment Holdings	Strategic Economic Infrastructure developers	Yes
	Anglovaal Industries Limited	Consumer Goods	Yes
	Pareto	Commercial Property Developers	Yes
	Primedia Limited	Media and Broadcasting	Yes
	Woman Investment Portfolio Holdings Limited	Investment Company	No
	Women's Development Bank	Financial Services	No
	Sentech Limited	Technology	No
	SA National Parks	Governmental Organisation	No
	Land Bank	Financial Services	No
Mr Mandla Gantsho	Sasol Limited	Oil and Gas	Yes
	Development Bank of Southern Africa	Financial Services	No
Mr Brian Joffe	The Bidvest Group Limited	Investment Holding Company	Yes
	Bidvest International Limited		Yes
	Rennies Bank Holdings Limited	Financial Services	Yes
	Bidcorp Plc	Logistics services	Yes
	Environserv Holdings Limited	Waste Solutions	Yes
	McCarthy Limited	Vehicle Retail	Yes
	Bidvest Australia Limited	Food distributor	Yes
Mr Meyer Kahn	Comair Limited	Aviation	Yes
	Cycad Financial Holdings Limited	Financial Services	Yes
	Netcare Limited	Healthcare	Yes
	SAB Miller Plc	Beverages	Yes
	SA Breweries Limited	Beverages	Yes

Director	Name of company or partnership	Nature of business	Currently director/ partner
Mr Michael Sacks	Netcare Limited	Healthcare	Yes
	AdVtech Limited	Education and Skills development	Yes
	Clinic Holdings Limited	Investment Holding Company	No
Prof Derrick Swartz	South African Broadcasting Corporation	Broadcasting	Yes
	Liliesleaf Trust	Heritage Trust	Yes
	Freedom Park Trust	Trust	Yes
	Northern Areas Trust	Trust	Yes
	Higher Education	Body of Higher Education	Yes
	South Africa	Trust	Yes
	Fort Hare Foundation Trust	Environmental	No
	South African Weather Services	Organisation	

SHARE PRICE HISTORY OF AFROCENTRIC ORDINARY SHARES

The high, low and closing prices of AfroCentric ordinary shares listed on the JSE and the aggregate quarterly volumes traded from the quarter ended December 2006 (Revised Listing, August 2006) until the quarter ended March 2008 were as follows.

Quarter ended	High (cents per share)	Low (cents per share)	Close (cents per share)	Aggregate volume	Aggregate value
2006					
December	498	335	370	3 017 358	12 521 773
2007					
March	380	270	300	3 393 003	10 627 818
June	440	126	294	2 160 589	7 022 513
September	295	205	240	1 164 478	2 842 746
December	285	220	252	1 011 448	2 551 653
2008					
March	275	195	210	1 033 430	2 336 872

The high, low and closing prices of AfroCentric ordinary shares on the JSE and the aggregate monthly volumes traded since May 2007 were as follows:

Month ended	High (cents per share)	Low (cents per share)	Close (cents per share)	Aggregate volume	Aggregate value
2007					
May	400	320	330	400 879	3 948 016
June	340	126	294	531 059	1 684 945
July	295	266	266	377 000	1 049 025
August	272	205	235	336 691	792 500
September	240	210	240	450 787	1 001 221
October	285	230	260	485 052	1 239 864
November	285	230	250	329 220	826 278
December	264	220	252	197 176	485 511
2008					
January	275	200	240	363018	918 053
February	250	198	234	118338	269 494
March	234	192	210	552 074	1 149 325
April	253	210	220	1 696 421	4 010 475

The high, low and closing prices of AfroCentric ordinary shares on the JSE for each trading day commencing on 12 March 2008 to 25 April 2008, and the daily trading volumes are as follows:

Daily 2008	High (cents per share)	Low (cents per share)	Close (cents per share)	Daily volume	Daily value
12 March	233	220	230	8 200	18 760
13 March	225	220	225	8 500	18 725
14 March	0	0	225	0	0
17 March	223	223	223	700	1 561
18 March	0	0	223	0	0
19 March	220	217	218	1 330	2 901
20 March	0	0	218	0	0
25 March	0	0	218	0	0
26 March	0	0	218	0	0
27 March	210	210	210	23 000	48 300
28 March	210	200	210	407 043	838 960
31 March	210	200	210	37 127	76 966
1 April	234	210	234	372 411	795 060
2 April	240	225	238	122 978	279 293
3 April	250	245	245	19 500	48 400
4 April	240	240	240	22 000	52 800
7 April	233	240	240	1 700	4 085
8 April	250	230	250	6 162	14 192
9 April	245	245	245	1 127 617	2 762 661
10 April	225	225	225	5 000	11 250
11 April	230	230	230	100	230
14 April	245	245	245	800	1 960
15 April	0	0	245	0	0
16 April	0	0	245	0	0
17 April	0	0	245	0	0
18 April	240	220	240	4 153	9 464
21 April	0	0	240	0	0
22 April	0	0	240	0	0
23 April	0	0	240	0	0
24 April	0	0	240	0	0
25 April	227	220	220	14 000	3 108

SHARE PRICE HISTORY OF JASCO ORDINARY SHARES

The high, low and closing prices of Jasco ordinary shares listed on the JSE and the aggregate quarterly volumes traded since the quarter ended March 2006 were as follows:

Quarter ended	High (cents per share)	Low (cents per share)	Close (cents per share)	Aggregate volume	Aggregate value
2006					
March	290	201	256	6 286 327	14 625 720
June	350	242	265	4 298 077	12 655 750
September	300	262	290	2 794 365	8 015 620
December	300	240	245	5 225 431	13 485 350
2007					
March	318	246	278	4 026 349	11 386 400
June	386	280	380	7 064 778	24 982 117
September	440	315	390	7 911 004	31 269 085
December	450	345	365	8 131 230	33 141 736
2008					
March	385	238	274	3 795 348	10 860 963

The high, low and closing prices of Jasco ordinary shares on the JSE and the aggregate monthly volumes traded since May 2007 were as follows:

Month ended	High (cents per share)	Low (cents per share)	Close (cents per share)	Aggregate volume	Aggregate value
2007					
May	365	327	329	2 063 841	7 114 690
June	386	300	380	4 030 604	14 730 567
July	440	390	420	4 899 668	19 906 649
August	430	315	360	1 010 269	3 810 962
September	409	363	390	2 001 067	7 551 474
October	421	380	402	5 414 519	21 955 928
November	450	390	410	1 573 592	6 738 005
December	410	345	365	1 143 119	4 447 803
2008					
January	385	280	335	821 771	2 711 985
February	340	285	300	773 792	2 380 582
March	300	238	274	2 199 785	5 768 396
April	345	280	330	1 601 867	5 167 692

The high, low and closing prices of Jasco ordinary shares on the JSE for each trading day commencing on 12 March 2008 to 25 April 2008, and the daily trading volumes are as follows:

Daily 2008	High (cents per share)	Low (cents per share)	Close (cents per share)	Daily volume	Daily value
12 March	260	250	260	211 300	544 547
13 March	260	250	250	24 650	61 865
14 March	251	240	240	76 900	186 229
17 March	260	240	240	269 200	663 020
18 March	245	238	238	95 850	230 410
19 March	250	238	245	279 000	670 160
20 March	255	245	250	133 872	332 728
25 March	281	260	280	289 300	805 780
26 March	280	280	280	7 300	20 440
27 March	290	290	290	30 000	87 000
28 March	290	260	274	78 624	218 749
31 March	290	271	274	37 049	103 782
1 April	290	280	280	41 769	117 153
2 April	290	280	290	65 500	184 850
3 April	335	295	335	41 000	124 020
4 April	340	335	335	52 500	176 019
7 April	333	310	325	19 800	62 227
8 April	330	324	330	115 750	380 617
9 April	330	325	325	869 950	2 827 695
10 April	330	320	320	11 700	38 160
11 April	323	320	320	62 000	199 300
14 April	320	300	320	73 860	229 645
15 April	320	320	320	2 870	9 184
16 April	330	320	330	25 000	80 100
17 April	335	320	335	44 350	148 465
18 April	345	335	345	54 600	183 270
21 April	345	340	340	74 500	255 082
22 April	333	320	320	6 278	20 729
23 April	0	0	320	0	0
24 April	320	319	320	17 390	55 578
25 April	335	305	335	7 500	24 258

CORPORATE GOVERNANCE

SUMMARY OF COMPLIANCE WITH RECOMMENDATIONS OF THE KING REPORTS

1. INTRODUCTION

The Board of the Company confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated in the Second King Report on Corporate Governance ("King II"). Through this process, shareholders and other stakeholders may derive assurance that the Company is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices. Because the Company has embarked on a new direction, the new Board will be re-examining the principles and requirements of King II and will give due consideration as to how best to implement the recommendations of the report within the Company. The Board will, as a minimum, ensure compliance with the following:

2. THE BOARD

The Company will have a unitary Board with a non-executive chairperson. The Board will sit at least four times per annum and more frequently if necessary.

Save for the disclosures contained in the body of the circular to which this annexure is attached, the non-executive directors are not involved in the day-to-day management of the group and are not full-time salaried employees of the Company or its subsidiaries. Non-executive directors are individuals of calibre and credibility and a high public profile, and have the necessary skills and experience to bring judgement to bear on issues of strategy, performance, resources, transformation, diversity and employment equity. The chairperson is an independent non-executive director.

The Company intends to appoint a permanent executive management team and is in the process of reviewing appropriate candidates. When the Board appoints appropriate executives, a CEO will be appointed to report to the Board, with appropriate review mechanisms. The role of CEO and Chairman will not be shared.

Until such time as the executive team is appointed and established, Messrs Kahn and Sacks have agreed to assume the roles of acting management (in consultation with Mr Joffe) through a presently informal management agreement.

As and when the Company acquires operating businesses, appropriate executives will be recruited.

The directors will all have unfettered access to the Company Secretary who, *inter alia*, will be responsible for ensuring that proper procedures are followed regarding Board matters. It will require a decision of the Board as a whole to remove the Company Secretary, should this become necessary. Directors' information packs will be prepared before each Board meeting so as to fully inform the directors of the issues at hand. Directors will furthermore be entitled to ask questions of any personnel and will have unrestricted access to all Company documentation, information, documents and property.

3. BOARD RESPONSIBILITIES

The Board's main responsibilities will include: strategy, acquisition and disinvestments policy, risk management, financing and corporate governance. In addition, the Board will be accountable for relations with stakeholders and will be responsible for creating, protecting and enhancing the Company's wealth and resources, timely and transparent reporting and for acting at all times in the best interests of the Company and its shareholders.

At this stage, no formal procedures exist for the delegation of the functions of the Board. This aspect of corporate governance is currently being considered by the Board. The policy will evidence a clear division of responsibilities at Board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

4. BOARD APPOINTMENTS AND THE NOMINATION COMMITTEE

Future appointments to the Board, which will be formal and transparent, will be considered by the Board as a whole assisted where necessary by a nomination committee. The nomination committee will constitute only of non-executive directors, of whom the majority will be independent, and will be chaired by the Board chairperson.

5. CONTROLS AND AUDIT COMMITTEE

The Board will ensure a sound system of internal control to safeguard stakeholders' interests and the Company's assets. The Company will institute an audit committee, which committee will act as follows:

- The audit committee will consist of non-executive directors and the Company Secretary and members of the committee will be named in the annual report and accounts.
- The committee will operate in accordance with written terms of reference, confirmed by the Board, which deal clearly with its authority and duties.
- The external auditors will have free access to this committee and will be invited to attend all of its meetings, which will occur at least twice each year.
- The audit committee will set the principles for recommending the use of the external auditors for non-audit services.
- The primary objective of the audit committee will be to promote the overall effectiveness of corporate governance within the group. Additional objectives will include:
  - ensuring the integrity of the Company's accounting and financial reporting systems;
  - ensuring that the appropriate systems are in place for monitoring risk, financial control and compliance with the law and codes of conduct;
  - evaluating the effectiveness of the risk- and compliance-management functions of the Company;
  - maintaining appropriately transparent relationships with the external auditors, who will be appointed each year based on the recommendations of the committee;
  - advising on the appointment of the external auditors to handle non-audit functions;
  - reviewing the scope and quality of the statutory audit and the independence and objectivity of the audit; and
  - reporting on the going concern concept.

The audit committee will have explicit authority to investigate any matter under its terms of reference and will have access to all resources and information it requires in order to act on this authority.

The audit committee will furthermore be responsible for monitoring all contracts entered into by the Company in which any of the directors are either beneficially or indirectly beneficially interested so as to ensure that all such contracts are fair and reasonable and in the best interests of the Company.

An internal audit function of the Company will be established should the Company acquire operating businesses. The function will be conducted by the financial director, together with the Company Secretary and in conjunction with the audit committee and the external auditors.

All reports of the internal audit function will be circulated to the external auditors.

6. COMMUNICATION WITH STAKEHOLDERS

A policy of effective communication and engagement with all stakeholders in the affairs of the Company will be adhered to and the Company will seek to provide a secure, healthy and participative social and working environment for its staff and associates.

7. CLOSED PERIODS

The Company will enforce a restricted period for dealing in shares, in terms of which any dealings in shares by all directors and personnel will be disallowed by the Board from the time that the reporting period has elapsed to the time that results are released and at any time that the Company is trading under a cautionary announcement. A procedure for directors and personnel to deal in shares will be introduced and the Company's Sponsor will be available to give guidance on the matter at any time.

8. REMUNERATION COMMITTEE

A remuneration committee consisting of a majority of non-executive directors will be set up. The committee will make recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its costs. The committee will ensure that levels of remuneration are sufficient to attract and retain directors and senior management needed to run the Company successfully.

9. COMPANY SECRETARY

The Company Secretary is required to provide the members of the Board with guidance and advice regarding their responsibilities, duties and powers and to ensure that the Board is aware of all the legislation relevant to or affecting the affairs of the Company. The Company Secretary will ensure that the Company complies with all applicable legislation regarding the affairs of the Company, including the necessary recording of meetings of the Board, Board Committees and shareholders of the Company.

10. CODE OF ETHICS

The Board will subscribe to the highest level of professionalism and integrity in conducting its business and dealing with all its stakeholders.

In adhering to its code of ethics, the Board will be guided by the following broad principles:

- businesses should operate and compete in accordance with the principles of free enterprise;
- free enterprise will be constrained by the observance of relevant legislation and generally accepted principles regarding ethical behaviour in business;
- ethical behaviour is predicated on the concept of utmost good faith and characterised by integrity, reliability and a commitment to avoid harm;
- business activities will benefit all participants through a fair exchange of value or satisfaction of need; and
- equivalent standards of ethical behaviour are expected from individuals and companies with whom business is conducted.

ALTERATION TO SHARE CAPITAL OF AFROCENTRIC AND ISSUES OF SHARES

Details of AfroCentric ordinary shares issued in the three years preceding the date of the issue of these Revised Listing Particulars are set out below. The authorised share capital of the Company was increased on 31 March 2006 to 60 million redeemable preference shares of 1 cent each. There have been no new issues of preference shares during the three years preceding the date of issue of these Revised Listing Particulars. There have been no repurchases of ordinary shares by AfroCentric or its subsidiaries during the three years preceding the date of issue of these Revised Listing Particulars, and further to this, no AfroCentric ordinary shares have been issued for cash consideration which proceeds have been used to acquire assets during the three years preceding the date of issue of these Revised Listing Particulars. AfroCentric's authorised share capital was increased to 94 000 000 shares of 1 cent each at the Annual General Meeting held on 31 March 2006.

Date of issue	Number of AfroCentric ordinary shares issued	Price at which AfroCentric ordinary shares were issued (cents)	Party to whom the AfroCentric ordinary shares were issued	Reason for the issue
Ordinary shares in issue on 1 July 2004	9 400 000	–		
Throughout 2004/2005	0	–		
Ordinary shares in issue on 30 June 2005	9 400 000	–		
Throughout 2005/2006	0	–		
Ordinary shares in issue on 30 June 2006	9 400 000	–	Shares taken up by respective shareholders in terms of a rights offer	The purpose of the rights offer was to raise funds to provide the Company with capital for investment
14 August 2006	84 600 000	100		
Ordinary shares in issue on 30 June 2007	94 000 000		The Vendors	New ordinary shares issued in order to effect the Acquisition
New AfroCentric ordinary shares issued in terms of the Acquisition	49 954 741(1)	260		
Ordinary shares in issue at the last practicable date	143 954 741			

(1) Estimate of ordinary shares that will be issued in terms of the Acquisition (refer to note 5 of paragraph 8.2 of the circular).

Date of issue	Number of AfroCentric preference shares issued	Price at which AfroCentric preference shares were issued (cents)	Party to whom the AfroCentric preference shares were issued	Reason for the issue
14 August 2006	16 638 000	91	Shares taken up by respective shareholders in terms of a rights offer	The purpose of the rights offer was to raise funds to provide the Company with capital for investment
Preference shares in issue at the last practicable date	16 638 000			

DETAILS OF SUBSIDIARY COMPANIES

AfroCentric acquired two subsidiaries during 2007. These subsidiaries were dormant and held no assets on acquisition and did not trade during the 2007 calendar or financial year. These subsidiaries were acquired for a nominal amount:

Name	Registration number	Date of incorpo-ration	Main business	Country of incorpo-ration	Interest held	Date it became a subsidiary
AfroCentric Resources (Proprietary) Limited	1992/002730/07	20 May 1992	Dormant	South Africa	100%	1 November 2006
AfroCentric Capital (Proprietary) Limited	1995/009264/07	31 August 1995	Dormant	South Africa	100%	1 November 2006

Note: The issued share capital of the above subsidiaries is less than R1 000.

RIGHTS, PRIVILEGES AND OBLIGATIONS OF THE REDEEMABLE PREFERENCE SHARES

1. For the purposes of this annexure:

1.1 "business day" means any day other than a Saturday, Sunday or public holiday in the RSA;

1.2 "preference dividend" means a preferential cash dividend per preference share determined pursuant to the formula contained in 2 below;

1.3 "the redeemable preference shares" means 60 000 000 (sixty million) redeemable participating preference shares in the issued share capital of the Company of a nominal value of 1 (one) cent each which have the rights set out in this annexure;

1.4 "RSA" means the Republic of South Africa; and

1.5 "the rights offer" means the rights offer implemented by the Company in August 2006.

2. If the Company declares dividends or makes any payment to the holders of the ordinary shares in respect of any financial year, then the holders of the redeemable preference shares shall be entitled to a preferential dividend or payment calculated in accordance with the following formula:

Pref Div/Payment	=	P x 0.15 x R/S
Where:		
Pref Div/Payment	=	the total dividend or payment to be declared by the Board in respect of the redeemable preference shares as a class;
P	=	the total dividend or payment to be declared by the Board in respect of ordinary shares and redeemable preference shares;
R	=	the redeemable preference shares in issue at the record date of the relevant dividend or payment; and
S	=	the total number of redeemable preference shares issued in terms of the rights offer.

To calculate the preference dividend payable per redeemable preference share, the Rand value derived from applying the above formula is divided by "R".

3. The redeemable preference shares will rank as regards arrear dividends and return of capital on a winding up in priority to the ordinary shares and in priority to the holders of any other shares in the capital of the Company to repayment of an amount equal to the greater of: (a) the sum of the subscription price of the redeemable preference shares and any arrears in the preference dividends or (b) the amount the holders of the redeemable preference shares would otherwise be entitled to receive had the holders thereof elected to exercise their options to purchase ordinary shares immediately prior to the date it is determined to wind up the affairs of the Company (whether or not such date is an option exercise date is detailed in 8.1 below).

4. The Company in general meeting or the directors of the Company shall be entitled to declare dividends in respect of the redeemable preference shares on the basis that the preference dividend payable in respect of any financial year shall be payable at the same time as the payment of the dividend in respect of ordinary shares to the holders of the redeemable preference shares registered as such at a reasonable date chosen by the Company in general meeting or by the directors, as the case may be, which date shall be subsequent to the date of the declaration of such dividends or the date of the confirmation of such dividends, whichever is the later. Any arrear preference dividends shall rank for payment in priority to the declaration or payment of any dividends in respect of the ordinary shares.

5. With respect to voting rights in the Company, the holders of the redeemable preference shares shall not be entitled to receive notice of and to attend and vote at any general meeting of the Company unless any one or more of the following circumstances prevail at the date of the meeting;

  5.1 the preference dividend or any part thereof whether declared or not remains unpaid after 60 days from the due date thereof;

  5.2 a resolution of the Company is proposed which directly affects the rights attached to the redeemable preference shares or the interests of the holders thereof, including a resolution for the winding up of the Company or for the reduction of its share capital or share premium account or a resolution pursuant to section 228 of the Act (except for any reduction which does not involve any distribution to members and except for the redemption of any preference shares originally issued as redeemable by the Company), or for the repayment or distribution of the share premium or non distributable reserves of the Company or the issue of capitalisation shares (except in such manner as is permitted by any statutes and the Company's articles of association provided that such repayment or distribution does not have the effect of reducing the share premium account to below the amount of 1 cent per issued redeemable preference share plus any amount required to be retained in the share premium account in respect of any other shares). The rights and privileges attaching to the redeemable preference shares shall not be regarded as being directly or adversely affected by the creation and issue by the Company of any further shares of any class, unless those new shares rank as regards participation in assets or profits of the Company in all or some respects in priority to or *pari passu* with the redeemable preference shares;

  5.3 a resolution of the Company is proposed for the disposal of the whole or substantially the whole of the undertaking of the Company, or the whole or the greater part of the assets of the Company which shall include a resolution of the Company for the disposal of the undertaking or assets of a subsidiary of the Company, if such undertaking or assets constitute the whole or substantially the whole of the undertaking or assets of the Company and all its subsidiaries considered as one entity for this purpose.

6. Payment in respect of preference dividends and any other payments shall be made in the currency of South African Rand at the risk of the relevant holder of redeemable preference shares either by cheque sent by ordinary post to the address of each holder of redeemable preference shares as recorded in the register of the Company's shareholders or by electronic transfer to such bank account nominated in writing by any holder of redeemable preference shares for such purpose. Payment in respect of shareholders whose redeemable preference shares have been dematerialised will be made to the relevant CSDP or broker.

7. All or any of the rights attaching to the issued redeemable preference shares may not be modified, altered, varied, added to or abrogated, without the prior written consent of the holders of at least three-quarters of the issued redeemable preference shares or the sanction of a resolution of the holders of the issued redeemable preference shares passed at a separate general meeting of such holders and at which redeemable preference shareholders holding in the aggregate not less than one quarter of the total votes of all the redeemable preference shareholders holding securities entitled to vote at that meeting are present in person or by proxy and the resolution has been passed by not less than three quarters of the total votes to which the redeemable preference shareholders are present in person or by proxy are entitled.

8. The holder of each redeemable preference share is granted the right and option ("the call option") to subscribe for such number of ordinary shares at the prices set out below. The call option may be exercised by the holder of each redeemable preference share upon the following terms and conditions:

  8.1 the call option may be exercised by the relevant shareholder giving written notice to that effect to the Company in accordance with the procedure set out in paragraph 11 below, in respect of each of the periods ending on 30 November 2010, 2011, 2012 and 2013 ("the option exercise dates");

  8.2 the number of ordinary shares that will be issued to the holder of each redeemable preference share if the call option is exercised in respect of that redeemable preference share at the relevant time shall be calculated in accordance with the following formula:

$\{(A – B)/0.85 – (A – B)\} \times C/D$

Where:

A	=	total ordinary shares in issue at time of exercise of the call option;
B	=	total ordinary shares issued in terms of previously exercised call options;
C	=	number of redeemable preference shares in respect of which the call option is exercised; and
D	=	total number of redeemable preference shares originally issued in terms of the rights offer;

8.3 the subscription price per ordinary share payable by the shareholder to the Company shall be calculated in accordance with the following formula:

$A = B \div C$

Where:

A	=	the subscription price per ordinary share at which the call option may be exercised;
B	=	the aggregate subscription price at which the preference shares associated with the options that were exercised were subscribed for by the relevant shareholder; and
C	=	the number of ordinary shares that will be issued by the Company upon the exercise of the call option;

8.4 the call option may be exercised in whole or in part; and

8.5 any call option that is not exercised by 31 December 2013 shall lapse.

9. From the date upon which ordinary shares are issued pursuant to the exercise of the relevant call options, the preference shares to which the exercised call options relate shall cease to be entitled to any dividend or other distribution. The only monies to which holders of those redeemable preference shares shall be entitled are the redemption monies provided for in paragraph 10 below.

10. The redeemable preference shares to which that call option relate shall be redeemed out of the proceeds of the issue of the ordinary shares that will be subscribed for by the holders of the redeemable preference shares on the exercise of the option on the following bases:

10.1 the price payable for each redeemable preference share on redemption of same will be at a redemption price equal to the subscription price paid per redeemable preference share;

10.2 the Company shall be deemed to have given notice of such redemption simultaneously with the exercise of the call option; and

10.3 the redemption shall take place in accordance with the procedures set out in paragraph 11 below.

11. The procedures for enabling redeemable preference shareholders to exercise their options and enable the Company to redeem the redeemable preference shares are as follows:

11.1 not less than 30 (thirty) days before the occurrence of any option exercise date, the Company shall post a notice to redeemable preference shareholders;

11.2 the notice shall advise redeemable preference shareholders of the salient features of the call option attaching to the redeemable preference shares, shall set out a timetable and the specific procedures approved by the JSE for the exercise of the call option, for the issue and allotment of the ordinary shares that will result should a call option be exercised and the redemption of the preference shares;

11.3 the call option may be exercised on behalf of a redeemable preference shareholder whose redeemable preference shares have been dematerialised by the CSDP of such redeemable preference shareholder;

11.4 the notice shall contain a form for completion by any certificated redeemable preference shareholder wishing to exercise the call option in respect of the relevant option exercise date and for return to the Company or its authorised representative by a time and date which shall be not later than 14 (fourteen) days prior to the close of business on the relevant option exercise date; and

11.5 certificated redeemable preference shareholders shall be required to deliver their share certificates together with the completed form referred to above.

12. On the lapsing of the call option the Company shall redeem the redeemable preference shares out of monies which may be lawfully applied for that purpose on the basis that the price payable for each redeemable preference share on redemption of same will be at a redemption price equal to the subscription price paid per redeemable preference share, provided that should the Company not have sufficient reserves to redeem the redeemable preference share at a redemption price equal to the subscription price of the redeemable preference share then the price at which each redeemable preference share shall be redeemed shall be calculated by taking the reserves available for the redemption of the redeemable preference shares and dividing that amount by the number of redeemable preference shares to be redeemed.

13. Upon the date of redemption of any redeemable preference shares there shall be paid all preference dividends (including any which are in arrear) outstanding in respect of the same, up to the date fixed for redemption thereof.

14. In respect of redeemable preference shares where the call option has lapsed, the preference dividends thereon shall cease to accrue from that date unless, upon surrender of the share certificate in respect of the preference shares, payment of the redemption monies is not effected by the Company.

15. The Company shall not be liable to a redeemable preference shareholder for interest on any unclaimed redemption monies and arrear dividends.

16. Any preference dividends (including any which are in arrear) that remain unclaimed for 3 (three) years may become the property of the Company.

17. The redeemable preference shares will, subject to the approval of the JSE, be listed on the JSE.

SALIENT FEATURES OF THE SHARE INCENTIVE SCHEME

1. INTRODUCTION

1.1 A summary of the salient features of the scheme is set out below.

1.2 For the purposes of the scheme, "the group" comprises the Company, its subsidiaries and associated companies and any other entity controlled or jointly controlled by the Company or any of its subsidiaries from time to time.

2. NUMBER OF SHARES TO BE MADE AVAILABLE FOR THE PURPOSES OF THE SCHEME

2.1 The aggregate number of ordinary shares which may be made available for the purposes of the scheme shall not be more than 20% of the issued ordinary share capital from time to time of the Company.

2.2 The aggregate number of ordinary shares which may be acquired by any one participant under the scheme, shall not be more than 3% of the issued ordinary share capital from time to time of the Company.

2.3 The percentages and numbers set out in 2.1 and 2.2 above shall not be exceeded without prior authority of the shareholders of the Company in general meeting and the approval of the JSE.

2.4 The price at which shares shall be made available shall be the Volume Weighted Average Price at which shares are traded on the JSE on the five business days immediately preceding the date upon which the Board directs that the relevant shares are made available to participants as determined by the Sponsor of the Company or such other valuators nominated by the Board for that purpose acting in their discretion.

2.5 The shares issued in terms of the scheme shall rank *pari passu with* the existing issued ordinary shares in the Company.

3. TRUSTEES

3.1 The Board of the Company shall be entitled to appoint, remove and replace the trustees of the scheme. There shall at all times be a minimum of two trustees in office. The trustees may not be participants under the scheme. The first trustees will be Themba Dennis Faku and Oyama Mabandla.

3.2 In accordance with the Act, the scheme will be funded out of its own resources, loans by the group in accordance with the provisions of section 38(2)(b) of the Act, loans by third parties and/or any other resource which is available to the scheme.

4. PARTICIPANTS AND MANNER OF PARTICIPATION

Participants in the scheme may be officers or other employees of the group, including, but not limited to, executive and non-executive directors, selected by the Board. Participants may be offered the opportunity to acquire shares in terms of the so-called offer to purchase scheme and the so-called option scheme.

5. OFFER TO PURCHASE SCHEME

The salient features of the offer to purchase scheme are set out hereunder:

5.1 under this scheme, shares ("scheme shares") are sold by the scheme to the participants on the basis that ownership thereof passes to the participants on conclusion of the contract of sale but the purchase price need not be paid immediately. The amount due (together with interest thereon, if any – see 5.4 below) is hereinafter referred to as the "share debt";

5.2 the amount payable by a participant for his scheme shares shall, in respect of the allocation, be not less than the Volume Weighted Average Price at which shares are traded on the JSE on the five business days immediately preceding the date upon which the Board directs that the relevant shares are made available to participants as determined by the Sponsor of the Company or such other valuators nominated by the Board for that purpose acting in their discretion ("share price");

5.3 scheme shares will be registered in the names of participants and will be pledged in favour of, and retained by, the scheme as security for payment of the share debt;

5.4 subject to certain limitations, a participant's outstanding balance of the share price will bear interest at such rate (if any), as may from time to time be determined by the Board. Dividends on scheme shares will be paid to the scheme and be applied in payment of such interest and any excess shall be paid towards the reduction of the outstanding balance of the share price of such participant's shares;

5.5 unless the Board otherwise resolves at any time, notwithstanding that any scheme shares are paid for, in whole or in part, at any time by the participant concerned, no scheme shares shall be released from the scheme or from the pledge until a period specified in the relevant offer to purchase is reached; and

5.6 if any amount in respect of the share price of any scheme shares becomes payable on demand by the trustees in accordance with the provisions of the scheme and such amount is not paid by the due date thereof, the trustees shall be entitled, *inter alia*, to cancel that sale in terms of which those scheme shares were acquired by the participant concerned and, *inter alia*, the participant concerned shall cease to have any interest in the scheme shares in respect of which the balance of the share price was due to be paid, such scheme shares shall be transferred into the name of the trust and the trustees may repay to the participant all or any part of the share price which such participant has paid in respect of such scheme shares.

6. SHARE OPTION SCHEME

The salient features of the scheme relating to share options are set out hereunder:

6.1 the trustees may, if the Board so directs, offer participants options ("share options") to purchase scheme shares. Each share option shall confer upon the holder thereof the right to purchase scheme shares upon the terms and conditions summarised below;

6.2 the amount payable by a participant for his scheme shares shall be calculated *mutatis mutandis* in accordance with the provisions of 2.4 above; and

6.3 share options may be exercised at any time but will only be released to a participant in accordance with the relevant terms and conditions upon which the relevant option is granted.

AFROCENTRIC
INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1988/000570/06)
JSE Codes: ACT, ACTP ISIN: ZAE000078416, ZAE000082269

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of ordinary shareholders will be held at The Auditorium, Ground Floor, 76 Maude Street (corner West Street), Sandton at 10:00 on Monday, 26 May 2008, for the purpose of considering and, if deemed fit, passing with or without modification, the following ordinary resolutions:

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT AfroCentric be authorised to:

- Purchase a 34.9% economic interest in Jasco Electronics Holdings Limited (registration number 1987/003293/06) from, collectively, Community Investment Holdings (Proprietary) Limited (registration number 1995/007296/07), The Inkonkoni Investment Holding Trust (IT number IT2629/02) and Malesela Holdings No. 1 (Proprietary) Limited (registration number 1998/007247/07), in terms of an agreement dated 31 March 2008 at a price of R3.25 per Jasco ordinary share,to be settled by the requisite number, limited to 34.7%, of AfroCentric ordinary shares issued at R2.60 per share;
- Subscribe for 40 000 preference shares in Iningi Investments 180 (Proprietary) Limited (registration number 2007/006169/07) for an aggregate subscription price of R100 million, with effect from 30 May 2008, to be settled in cash."

ORDINARY RESOLUTION NUMBER 2

"RESOLVED THAT the directors and/or the Company Secretary of the Company be and are hereby authorised to do all such things and sign all documents including Company forms and take all such actions as they consider necessary to give effect to Ordinary Resolution Number 1 set out in this notice convening the general meeting at which this Ordinary Resolution Number 2 will be proposed and considered."

VOTING

All holders of ordinary shares in the capital of AfroCentric will be entitled to attend and vote at the general meeting.

Each AfroCentric ordinary shareholder present in person or, in the case of a body corporate, represented by an authorised representative, has only one vote on a show of hands, irrespective of the number of AfroCentric ordinary shares held by the AfroCentric ordinary shareholder, provided that a proxy shall, irrespective of the number of members he represents, have only one vote, but on a poll each such AfroCentric ordinary shareholder or duly appointed proxy has one vote for each AfroCentric ordinary share held or represented, as the case may be.

PROXIES

Each member entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (none of whom need be a member of AfroCentric) to attend, speak and vote in his/her stead.

The form of proxy (yellow) for the general meeting, which sets out the relevant instructions for its completion, accompanies this notice and may also be obtained on request from the transfer secretaries.

In order to be effective, duly completed forms of proxy must be received by the transfer secretaries by no later than 10:00 on Thursday, 22 May 2008.

By order of the Board

M I Sacks
Member of the Board and Company Secretary
Sandton
9 May 2008

Registered office

PKF (Jhb) Inc.
(Registration number 1994/001166/21)
41 Wierda Road West
Wierda Valley
Sandton, 2196
(Private Bag X34, Benmore, 2010)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

AFROCENTRIC
INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1988/000570/06)
JSE Codes: ACT, ACTP ISIN: ZAE000078416, ZAE000082269

FORM OF PROXY

For use at the general meeting of ordinary shareholders of the Company to be held at 10:00 on Monday, 26 May 2008 at The Auditorium, Ground Floor, 76 Maude Street (corner West Street), Sandton.

Dematerialised ordinary shareholders, who are not own-name shareholders, must inform their CSDP or broker of their intention to attend the general meeting personally or by proxy and request their CSDP or broker to issue them with the necessary letter of representation to attend the general meeting in person or by proxy and vote, or provide their CSDP or broker with their voting instructions should they not wish to attend the general meeting in person or by proxy. **These ordinary shareholders must *not* use this form of proxy**.

I/We

(full name/s in BLOCK LETTERS)

of

(address)

being the holders of ordinary shares in the capital of the Company, do hereby appoint (see note 2):

1. or failing him/her,

2. or failing him/her,

3. the chairman of the general meeting,

as my/our proxy to act for me/us at the general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s) in accordance with the following instructions (see note 3):

	Number of ordinary shares		
	For	**Against**	**Abstain**
Ordinary Resolution Number 1 (Acquisition of a 34.9% interest in Jasco and subscription of Iningi preference shares)			
Ordinary Resolution Number 2 (Authorising the directors and the Company secretary to give effect to and implement Ordinary Resolution Number 1)			

Signed at on 2008

Signature(s)

Assisted by (where applicable)

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote in place of that shareholder at the general meeting.

Notes:

1. This form of proxy must only be used by ordinary shareholders who hold ordinary shares that are not dematerialised or shareholders who hold dematerialised ordinary shares in their own name.
2. An ordinary shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the general meeting". A proxy need not be a shareholder of the Company. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. An ordinary shareholder is entitled to one vote on a show of hands and, on a poll, one vote for each ordinary share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes.
4. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the ordinary share(s) in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the general meeting.
5. If an ordinary shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
6. The chairman of the general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
7. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such ordinary shareholder wish to do so.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the chairman of the general meeting.
9. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
10. Where there are joint holders of ordinary shares:
    - any one holder may sign this form of proxy; and
    - the vote(s) of the senior shareholder (with seniority being determined by the order in which the names of shareholders appear in the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
11. Forms of proxy must be lodged with or mailed to Computershare Investor Services (Proprietary) Limited:

    Hand deliveries to:

    Computershare Investor Services
    (Proprietary) Limited
    Ground Floor, 70 Marshall Street
    Johannesburg, 2001

    Postal deliveries to:

    Computershare Investor Services
    (Proprietary) Limited
    PO Box 61051
    Marshalltown, 2107

    to be received by no later than 10:00 on Thursday, 22 May 2008 (or 48 hours before any adjournment of the general meeting which date, if necessary, will be released on the JSE Limited Stock Exchange News Service and published in the press).
12. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory(ies).

PRINTED BY INCE (PTY) LTD

REF. W2CF05506