AfroCentric Investment Corporation Limited

Annual Report 2007

For the year ended 30 June 2007

Contents

Statement of directors' responsibilities

for the year ended 30 June 2007

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of AfroCentric Investment Corporation Limited and its subsidiaries, in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act. The financial statements presented on pages 4 to 23 have been prepared in accordance with the requirements of IFRS and the Companies Act, except for the matters detailed in the directors' report on page 4 and include amounts based on judgements and estimates made by management.

Except for the matter included on page 4 of the directors' report, the directors consider that having applied IFRS in preparing the financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Group and Company at year-end in accordance with IFRS.

The directors have the responsibility for ensuring that accounting records are kept. The accounting records should disclose, with reasonable accuracy, the financial position and results of the Group and Company to enable the directors to ensure that the financial statements comply with relevant legislation.

Owing to the change in focus of the Company, as well as the change in ownership, the Company is currently designing and implementing its internal control structures, which would incorporate risk management and internal control procedures which are to be designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are controlled. To this end the Company intends to appoint a permanent executive management team. Until such time as the executive management team is appointed and established, an informal management team comprising directors of the Company has assumed responsibility as acting management. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of controls, procedures and systems has occurred during the year under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group and Company will not be a going concern in the year ahead, based on forecasts and available cash resources. These financial statements support the viability of the Group and Company.

The Company's external auditors, SizweNtsaluba VSP, audited the financial statements and their audit report is presented on page 3.

The annual financial statements which appear on page 4 to 23 were approved for issue by the Board of Directors on 28 September 2007 and are signed on its behalf by:

MI Sacks
Director

JM Kahn
Director

Johannesburg
28 September 2007

Certificate by the company secretary

for the year ended 30 June 2007

In terms of section 268 G (d) of the Companies Act 61, of 1973, as amended, I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies for the year ended 30 June 2007, all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

MI Sacks

Johannesburg
28 September 2007

Letter to the shareholders

Dear Shareholder

We are pleased to have the opportunity to advise shareholders of the activities of the Company and the Investment Committee for the year ended 30 June 2007.

During the year under review, the Company completed its intended recapitalisation through a rights offer to existing shareholders which raised approximately R100 million in capital for investment.

On 26 September 2006, the Company and Rio Tinto Plc. jointly announced the completion of a broad mutual co-operation agreement covering exploration and mining related opportunities locally and elsewhere in Africa. Since that date, the Company has been active in promoting, in co-operation with Rio Tinto Plc., the assembly, development and consolidation of rights for mineral resource prospecting and exploration in Limpopo, Mpumalanga, North West Province and Northern Cape.

The strategic agreement with Rio Tinto Plc. is working well and notwithstanding the protracted processes in mining exploration generally and particularly in the consolidation of mineral rights, the Board remains optimistic about the progress being made and the potential value which could evolve through this relationship.

In addition to the Company's activities in the mining sector, the Investment Committee is continually considering non-mining propositions presented for investment.

The net profit after tax for the year of R4 673 000 arose exclusively from interest earned on the Company's treasury funds.

The directors will keep shareholders advised of progress on any of the mining and exploration projects presently in the processes of consolidation and assessment.

Sincerely

By order of the Board

Michael Sacks
Director and secretary

Johannesburg
28 September 2007

INDEPENDENT AUDITOR'S REPORT

SizweNtsaluba VSP

est.1985

20 Morris Street East, Woodmead, 2191
P O Box 2939, Saxonwold, 2132
Tel. +27 86 11 76877, Fax. +27 11 234 0933
www.sizwentsaluba.co.za

Independent auditor's report to the members of AfroCentric Investment Corporation Limited

Report on the financial statements

We have audited the annual financial statements and group annual financial statements of AfroCentric Investment Corporation Limited, which comprise the directors' report, the balance sheet and consolidated balance sheet as at 30 June 2007, the income statement and consolidated income statements, the statement of changes in equity and consolidated statement of changes in equity, the cash flow statement and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 23.

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

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

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

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

Qualification
As reported in the directors' report to the financial statements, the company, with the written approval of the Registrar of Companies, has not presented a consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and consolidated notes for the year ended 30 June 2006; which is not in accordance with International Financial Reporting Standards.

Opinion
In our opinion, except for any effect on the financial statements by the non presentation of consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and consolidated notes for the comparative 2006 period, the financial statements present fairly, in all material respects, the financial position of the company and of the group as of 30 June 2007, and of the financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

SizweNtsaluba VSP.

SizweNtsaluba VSP
Registered Auditor
Partner: S. Lockhat

Johannesburg
28 September 2007

A member firm of Morison International

Directors' report

for the year ended 30 June 2007

The directors have pleasure in presenting their report for the year ended 30 June 2007, which forms part of the audited annual financial statements of the Group and the Company for the year then ended.

Business activities

During the year under review, the Company completed its intended recapitalisation through a rights offer to existing shareholders which raised approximately R100 million in capital for investment.

On 26 September 2006, the Company and Rio Tinto Plc. jointly announced the completion of a broad mutual co-operation agreement covering exploration and mining related opportunities locally and elsewhere in Africa. Since that date, the Company has been active in promoting co-operation with Rio Tinto Plc., the assembly, development and consolidation of rights for mineral resource prospecting and exploration in Limpopo, Mpumalanga, North West Province and Northern Cape.

Furthermore, the Company continues to research and consider other investment opportunities, consistently maintaining the selective criteria prescribed by the Board Investment Committee.

Group results

After administrative expenses related substantially to the rights issue, the profit after taxation amounted to R4 673 000 (2006: (loss) R6 070 000) for the year under review, generated exclusively from interest earned on the Company's treasury funds. This translates to fully diluted headline earnings per share of 4,75 cents (2006: (loss) 0,8 cents).

In terms of Section 291 of the Companies Act, 1973, and with the requisite approval of the Registrar of Companies, the Board of Directors exercised their discretion not to present consolidated financial statements for the year ended 30 June 2006. As reported in the prior year annual financial statements, the Company disposed of its subsidiaries during 2006. The incorporation of approximately five months' trading of the subsidiary prior to its disposal for cash, would have been of no real value to the members of the Company. Notwithstanding the above, the auditors are obliged to qualify their audit opinion in such circumstances. However, in the opinion of the Company's auditors, their qualification of the presentation of non-consolidated company information in respect of the prior year, has no adverse impact on the presented Company financial statements.

Changes in share capital

During July 2006, the Board of Directors resolved to recapitalise the Company to enable it to achieve its investment objectives by means of a rights offer. The purpose of the rights offer was to raise funds of approximately R100 million before expenses to provide the Company with capital for investment.

The rights offer included an ordinary share rights offer of 84,6 million new ordinary shares for subscription in cash at R1 per share, in the ratio of 900 new ordinary shares for every 100 shares held. In addition a total of 16,6 million new redeemable preference shares were offered to AfroCentric shareholders at a price of R0,91 cents per share in the ratio of 177 redeemable preference shares for every 100 ordinary shares held.

The rights issue was fully subscribed and successfully concluded during August 2006. Details of the Company's authorised and issued share capital are more fully set out under Share Capital on page 22.

Control of unissued share capital

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 221 of the Companies Act, 1973 (Act no. 61 of 1973) ("the Companies Act"). As this general authority remains valid only until the next annual general meeting, members will be asked at the forthcoming annual general meeting to consider an ordinary resolution placing the said unissued ordinary shares up to a maximum of 10% of the Company's issued share capital under the control of the directors until the next annual general meeting.

Dividends

No dividends were declared or paid during the year under review. In the prior year the directors declared a special dividend to shareholders of R1,82 per share equating to R17 108 000.

In terms of the Company's articles of association, all unclaimed dividends shall not bear interest and may be invested or otherwise made use of by the directors of the Company as they deem fit for the benefit of the Company until claimed, provided that dividends unclaimed and retained for a period of three years shall be forfeited and shall revert to the Company and be dealt with by the directors of the Company as they deem fit.

Directors

The following acted as directors during the current financial year:

NB Bam* *(Chairman)*
NMJ Canca*
MV Gantsho*
JM Kahn*
MI Sacks*
Prof DI Swartz*
B Joffe*

**Non-executive*

Company secretary

The Company secretary is MI Sacks, whose registered and postal address are set out below:

Registered address
PKF (Jhb) Inc.
42 Wierda Road West
Wierda Valley
Sandton
2196

Postal address
Private Bag X10046
Sandton
2146

Shareholders' interest

Major shareholders

The major shareholders' and the directors' interests in ordinary shares and preference shares as at 30 June 2006 and 30 June 2007 are provided hereafter. Major shareholders are those which own directly or indirectly 5% or more of each class of shares.

Ordinary shareholders as at 30 June 2007

An analysis of holdings extracted from the register of ordinary shareholders as at 30 June 2007 is listed below:

Spread of ordinary shareholders	Number of shares 2007	Percentage	Number of shares 2006	Percentage
Public	**32 595 500**	**34,68**	1 880 000	20,00
Non-public	**61 404 500**	**65,32**	7 520 000	80,00
	94 000 000	**100,00**	9 400 000	100,00
Directors and major shareholders				
NB Bam (Direct beneficial)	**150 000**	**0,16**	–	–
NMJ Canca (Direct beneficial)	**150 000**	**0,16**	–	–
MV Gantsho (Direct beneficial)	**250 000**	**0,26**	–	–
B Joffe (Indirect non-beneficial)	**3 600 000**	**3,83**	–	–
JM Kahn (Direct beneficial)	**5 002 250**	**5,32**	3 760 000	40,00
MI Sacks (Indirect non-beneficial)	**5 002 250**	**5,32**	3 760 000	40,00
Prof DI Swartz (Direct beneficial)	**150 000**	**0,16**	–	–
The AfroCentric Empowerment Trust	**47 100 000**	**50,10**	–	–

DIRECTORS' REPORT *(continued)*

for the year ended 30 June 2007

Preference shareholders as at 30 June 2007

An analysis of holdings extracted from the register of preference shareholders at 30 June 2007 is listed below:

Spread of preference shareholders	Number of shares 2007	Percentage	Number of shares 2006	Percentage
Public	2 883 056	17,33	–	–
Non-public	13 754 944	82,67	–	–
	16 638 000	100,00		
Directors and major shareholders				
B Joffe (Indirect non-beneficial)	2 548 182	15,31	–	–
JM Kahn (Direct beneficial)	3 784 981	22,75	–	–
MI Sacks (Direct beneficial)	3 784 981	22,75	–	–
Eagle Creek Investments 605 (Pty) Limited.	3 636 800	21,86	–	–

Directors' share dealings

Director	Opening balance	Shares acquired	Closing balance
NB Bam	–	150 000	150 000
NMJ Canca	–	150 000	150 000
MV Gantsho	–	250 000	250 000
B Joffe			
– ordinary	–	3 600 000	3 600 000
– preference	–	2 548 182	2 548 182
JM Kahn			
– ordinary	3 760 000	1 242 250	5 002 250
– preference	–	3 784 981	3 784 981
MI Sacks			
– ordinary	3 760 000	1 242 250	5 002 250
– preference	–	3 784 981	3 784 981
Prof DI Swartz	–	150 000	150 000

Full consideration was paid for the shares acquired.

Directors' remuneration

A fee of R40 000 was paid to each of Messrs Bam, Canca, Gantsho and Swartz for services as director for the year under review (2006: Nil). The remuneration policy is the subject of review by the directors, and will be assessed in light of the scope and nature of the Company's operations.

Directors' service contracts

At the date hereof, save as disclosed below, none of the directors has entered into a service contract with the Company.

The Board will consider the appointment of a permanent management team once there is certainty in regard to the development projects presently in progress. 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.

The Company has an Investment Committee which includes Messrs Canca, Joffe, Kahn and Sacks. All investment opportunities are presented to and reviewed by the Investment Committee and all material investments are presented to and reviewed by the Board.

Directors' interests in contracts

During the year under review, no material contracts in which the directors have an interest were entered into which significantly impacted the business of the Company.

Share incentive scheme

The Company adopted a share incentive scheme for the incentivisation of employees and directors at a general meeting of shareholders held on 31 March 2006. At balance sheet date no shares or options had been issued in terms of the scheme.

The salient features of the scheme are detailed below:

- 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;
- 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;
- The percentages and numbers set out in the preceding paragraphs above shall not be exceeded without prior authority of the shareholders of the Company in a general meeting and with the approval of the JSE; and
- 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 sponsors of the Company or such other valuators nominated by the Board for that purpose acting in their discretion.

The salient features of the offer to purchase scheme are set out hereunder:

- The shares issued in terms of the scheme shall rank *pari passu* with the existing issued ordinary shares in the Company.
- Participants in the scheme may be officers or other employees of the Company, 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";
- 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 is hereinafter referred to as the "share debt";
- 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 sponsors of the Company or such other valuators nominated by the Board for that purpose acting in their discretion ("share price");

- 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;
- 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;
- 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 year specified in the relevant offer to purchase is reached; and
- 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.

The salient features of the scheme relating to share options are set out hereunder:

- 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;
- The amount payable by a participant for his scheme shares shall be calculated *mutatis mutandis* in accordance with the provisions above; and
- 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.

Borrowing powers
In terms of the articles of association of the Company, the borrowing powers of the Company are unlimited.

Subsidiary and joint venture companies
The following information relates to the Company's interests in its subsidiaries.

			Percentage holding	
	Nature of business	Issued ordinary share capital R'000	June 2007 %	June 2006 %
Direct				
Afrocentric Resources (Pty) Limited	Dormant	*	100	–
Afrocentric Capital (Pty) Limited	Dormant	*	100	–

**Less than R1 000*

Post balance sheet events

No material events have occurred since 30 June 2007 which would necessitate a recordal herein.

Property, plant and equipment

The Company did not own any property, plant or equipment during the current or previous financial years.

Auditors

SizweNtsaluba VSP will continue in office as auditors in accordance with Section 270(2) of the Companies Act.

Material commitments, lease payments and contingent liabilities

No material capital commitments or lease payments have been contracted for or approved by the directors of AfroCentric. The Company has no contingent liabilities at balance sheet date.

Material resolutions

There were no special resolutions or other resolutions of a significant nature passed by the Company and its subsidiaries during the year under review requiring disclosure in terms of the listing requirements of the JSE.

INCOME STATEMENTS

for the year ended 30 June 2007

	Note	Group and Company 2007 R'000	Company 2006 R'000
Revenue		–	–
Administrative expenses		(1 144)	(758)
Other expenses		–	(4 910)
Net finance income	3	7 826	26
– Finance income		7 844	26
– Finance cost		(18)	–
Profit/(loss) before taxation	2	6 682	(5 642)
Income tax expense	4	(2 009)	(428)
Profit/(loss) for the year		4 673	(6 070)
Attributable to:			
Equity holders of the Company		4 673	(6 070)
Earnings per share (cents) attributable to equity holders of the Company:			
– Basic	5	5,58	(64,5)
– Diluted	5	4,75	(64,5)
Dividend per share (cents)	5	–	182,0

Balance sheets

as at 30 June 2007

	Note	Group 2007 R'000	Company 2007 R'000	Company 2006 R'000
Assets				
Non-current assets				
Investment in subsidiaries	8	–	*	–
Current assets		105 522	105 522	568
Other assets	9	–	–	303
Cash and cash equivalents	10	105 522	105 522	265
Total assets		105 522	105 522	568
Equity and liabilities				
Capital and reserves		103 127	103 127	239
Issued capital	11	98 309	98 309	94
Distributable reserves	12	4 818	4 818	145
Current liabilities		2 395	2 395	329
Trade and other payables	13	386	386	329
Receiver of revenue		2 009	2 009	–
Total equity and liabilities		105 522	105 522	568

**Amount less than R1 000*

Statements of changes in equity

for the year ended 30 June 2007

	Ordinary share capital R'000	Preference share capital R'000	Share premium R'000	Distributable reserve R'000	Total R'000
Group					
Balance at 1 July 2006	94	–	–	145	239
Issue of share capital	846	166	98 728	–	99 740
Rights issue expenses capitalised	–	–	(1 525)	–	(1 525)
Net profit for the year	–	–	–	4 673	4 673
Balance at 30 June 2007	**940**	**166**	**97 203**	**4 818**	**103 127**
Company					
Balance at 1 July 2005	94	–	–	23 323	23 417
Dividends paid	–	–	–	(17 108)	(17 108)
Net loss for the year	–	–	–	(6 070)	(6 070)
Balance at 30 June 2006	94	–	–	145	239
Issue of share capital	846	166	98 728	–	99 740
Rights issue expenses capitalised	–	–	(1 525)	–	(1 525)
Net profit for the year	–	–	–	4 673	4 673
Balance at 30 June 2007	**940**	**166**	**97 203**	**4 818**	**103 127**

Cash flow statements

for the year ended 30 June 2007

		Group	Company	
	Note	2007 R'000	2007 R'000	2006 R'000
Cash utilised in operations	6	(784)	(784)	(765)
Interest received	3	–	–	26
Interest paid	3	(18)	(18)	–
Tax paid	7	–	–	(428)
Dividends paid	5.2	–	–	(17 108)
Net cash utilised in operating activities		(802)	(802)	(18 275)
Cash flows from investing activities				
Acquisition of subsidiaries		(*)	(*)	–
Proceeds from sale of subsidiary		–	–	18 540
Interest received	3	7 844	7 844	–
Net cash inflow from investing activities		7 844	7 844	18 540
Cash flows from financing activities				
Capital raised		99 740	99 740	–
Rights issue expenses capitalised		(1 525)	(1 525)	–
Net cash inflow from financing activities		98 215	98 215	–
Net increase in cash and cash equivalents		105 257	105 257	265
Cash and cash equivalents at beginning of year	10	265	265	–
Cash and cash equivalents at end of year	10	105 522	105 522	265

**Amount less than R1 000*

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

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.

Intercompany 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

1.13.1 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

	Group and Company 2007 R'000	Company 2006 R'000
2. Profit/(loss) before taxation		
The following items have been included in arriving at profit/(loss) before tax:		
Auditors' remuneration	(233)	(108)
– Audit fees	(233)	(80)
– Fees for other services	–	(28)
Loss on disposal of subsidiary	–	(4 910)
Fees paid for services	(1 144)	(758)
– Administrative	(51)	(48)
– Professional	(423)	(531)
– Secretarial	(670)	(179)
Directors' emoluments		
– Fees for services as director	(160)	–
3. Net finance income		
Interest received	7 844	26
Interest paid – bank overdraft	(18)	–
	7 826	26
4. Income tax expense		
Current tax		
Normal tax	2 009	–
Secondary tax on companies	–	428
Deferred tax	–	–
	2 009	428
Secondary tax on companies		
STC relating to special dividend declared during the year	–	428
Reconciliation of effective tax rate		
Tax at standard rate	29,0	29,0
Expenses not deductible for tax purposes	1,0	(29,0)
Effect of STC	–	7,5
Tax at effective rate	30,0	7,5

	Group and Company 2007 R'000	Company 2006 R'000
5. Earnings and dividend per share		
5.1. Earnings per share		
The calculation of basic earnings per share is based on net income for the year of R4 673 000 (2006: loss (R6 070 000)), and a weighted average number of shares of 83,8 million (2006: 9,4 million) shares in issue.		
The calculation of adjusted headline earnings per share is calculated on adjusted headline earnings of R4 673 000 (2006: loss (R732 000)) and weighted average number of shares of 83,8 million (2006: 9,4 million) shares in issue.		
Reconciliation between profit/loss attributable to equity holders of the Company and headline earnings		
Net income/(loss) for the year	4 673	(6 070)
Adjusted for:		
Loss on disposal of subsidiary	–	4 910
STC on special dividend declared	–	428
Adjusted headline earnings per share	4 673	(732)
Earnings per share (cents)		
Basic	5,58	(64,5)
Adjusted headline	5,58	(0.8)
Diluted earnings per share (cents)		
Basic	4,75	(64,5)
Adjusted headline	4,75	(0,8)
Weighted average number of shares	83 801 644	9 400 000
Adjusted for:		
– Dilutionary impact of preference shares	14 632 323	–
Weighted average number of shares for diluted earnings per share	98 433 967	9 400 000

5.2 Dividend per share

The Company declared a special dividend of RNil per share (2006: R1,82) equating to RNil (2006: R17 108 000).

	Group and Company 2007 R'000	Company 2006 R'000
6. Cash utilised in operations		
Profit/(loss) before tax	6 682	(5 642)
Adjustments for:		
Interest received	(7 844)	(26)
Interest paid – bank overdraft	18	–
Loss on disposal of subsidiary	–	4 910
	(1 144)	(758)
Changes in working capital	360	(7)
Decrease/(Increase) in trade and other receivables	303	(303)
Increase in trade and other payables	57	296
Cash utilised in operations	(784)	(765)
7. Income tax paid		
Opening balance	–	–
Amounts charged to income statement	(2 009)	(428)
Closing balance	2 009	–
Total tax paid	–	(428)

	Company 2007 R'000	Company 2006 R'000
8. Investment in subsidiaries		
Unlisted investments at cost	*	–
Carrying value/Directors' valuation	*	–

The Company acquired the following subsidiaries during the year. These subsidiaries were dormant and held no assets on acquisition and did not trade during the 2007 year. These subsidiaries were acquired for a nominal amount.

Name	Main business	Country of incorporation	Issued share capital	Interest held
2007				
Directly held				
Afrocentric Resources (Pty) Limited	Dormant	South Africa	*	100%
Afrocentric Capital (Pty) Limited	Dormant	South Africa	*	100%

**Amount less than R1 000*

	Group and Company 2007 R'000	Company 2006 R'000
9. Other assets		
Deferred expenditure	–	303
Other assets comprise costs incurred in 2006 relating to the rights issue, and was capitalised against share premium when the shares were issued.		
10. Cash and cash equivalents		
Cash at bank and on hand	105 522	265
For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:		
Cash and bank balances	105 522	265
11. Share capital		
Authorised		
1 billion ordinary shares of 1 cent each	10 000	10 000
60 million redeemable preference shares of 1 cent each	600	600
Issued		
94 000 000 (2006: 9 400 000) ordinary shares of 1 cent each	940	94
Opening balance	94	94
Issue of share capital	846	–
16 638 000 (2006: Nil) preference shares of 1 cent each	166	–
Opening balance	–	–
Issue of share capital	166	–
Share premium net of expenses capitalised	97 203	–
	98 309	94

Preference shareholders will be entitled to 15% of the aggregate dividend declared payable to preference and ordinary shareholders in proportion to the number of preference shares in issue.

Each preference shareholder has an option to convert their preference shares for ordinary shares subject to the following terms and conditions:

- Options may be exercised by giving written notice in respect of each of the periods ending 30 November 2010, 2011, 2012 and 2013;
- The number of ordinary shares to which the preference shareholders will be entitled and the price of the option shall be calculated by pre-defined formulae; and
- All options may be exercised in whole or in part and any options not exercised by 31 December 2013 shall lapse.

		Group and Company	Company
		2007 R'000	2006 R'000
12.	**Reserves**		
	Distributable reserves		
	Retained income – beginning of year	145	23 323
	Dividends paid	–	(17 108)
	Net profit/(loss) for the year	4 673	(6 070)
	Retained income – end of year	4 818	145
13.	**Trade and other payables**		
	Other payables	386	329

14. Related party transactions

During the 2006 financial year, the Company sold its entire business comprising largely its investments in its subsidiary Theewaterskloof to its parent SGM Investments (Pty) Limited (ultimate parent being Fruitmaster Investment (Pty) Limited, which owned 80% of the Company's shares), for R19 million. Subsequent to the disposal to SGM Investments (Pty) Limited, Messrs MI Sacks and M Kahn (currently directors of the Company) acquired the 80% shareholding that SGM Investments (Pty) Limited held in AfroCentric Investment Corporation Limited (previously WB Holdings).

Notice of annual general meeting

for the year ended 30 June 2007

AFROCENTRIC INVESTMENT CORPORATION LIMITED
(formerly WB Holdings Limited)
Registration Number: 1988/000570/06
("AfroCentric" or "the Company")
JSE share codes: ACT/ACTP
ISIN code: ZAE000082269

Notice is hereby given that the second annual general meeting of shareholders of AfroCentric Investment Corporation Limited will be held in the Auditorium, Ground Floor, 76 Maude Street (corner West Street), Sandton on Tuesday, 15 January 2008 at 10:00 for the following purposes:

1. **Ordinary Resolution Number 1**
   To receive and adopt the annual financial statements of the Company for the year ended 30 June 2007.

2. **Ordinary Resolution Number 2**
   To elect, by separate ordinary resolutions, directors in place of those retiring in accordance with the provisions of the Company's articles of association.

   JM Kahn and MI Sacks retire and being eligible, offer themselves for re-election.

3. **Ordinary Resolution Number 3**
   To ratify and approve, as required by the Company's articles of association, the remuneration of the directors of AfroCentric Investment Corporation Limited, for the financial year ended 30 June 2007, as reflected in the directors' report of the annual financial statements.

4. **Ordinary Resolution Number 4**
   To authorise the directors to determine the remuneration of the auditors.

5. **Ordinary Resolution Number 5**
   To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:

   "RESOLVED that the unissued ordinary shares of 1,0 cent each in the capital of the Company be placed under the control of the directors."

6. **Ordinary Resolution Number 6**
   To consider and, if deemed fit to pass with or without modification, the following ordinary resolution:

   "RESOLVED that subject to the passing of ordinary resolution number 5, and in terms of the Listings Requirements of the JSE Limited ("JSE") as presently constituted and which may be amended from time to time, the directors are hereby authorised to issue ordinary shares and/or any options/convertible securities that are convertible into ordinary shares for cash, without restricting to whom the ordinary shares will be issued, but subject to 6(f) below, as and when suitable opportunities arise, subject to the following conditions:

   (a) that this authority shall be valid only until the next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of this resolution;

   (b) that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of ordinary shares in issue prior to the issue/s;

(c) that issues in the aggregate in any one financial year shall not exceed 15% of the number of ordinary shares of the Company's issued ordinary share capital (including the number to be issued in the future as a result of the exercise of options or conversion of convertible securities issued in the same financial year);

(d) that, in determining the price at which an issue of ordinary shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the ordinary shares in question, as determined over the 30 business days prior to the date of the price of the issue being determined or agreed by the directors of the Company;

(e) that the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue; and

(f) that any issue will only be made to public shareholders as defined in the Listings Requirements of the JSE, and not to any related parties."

In respect of options and convertible securities granted/issued for cash, if the discount to the market price at the time of exercise of the option or conversion of the convertible security is not known at the time of the grant/issue of the option or convertible security, or if it is known that the discount will exceed 10% of the 30-day weighted average traded price of the security at the date of exercise, then the grant/issue will be subject to the issuer providing its holders of securities with a fair and reasonable statement complying with Schedule 5 of the JSE Listings Requirements from an independent professional expert acceptable to the JSE, indicating whether or not the issue is fair and reasonable to the Company's holders of securities.

The approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the meeting, is required for this ordinary resolution to become effective.

7. Ordinary Resolution Number 7

To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED that any two directors of AfroCentric Investment Corporation Limited, be and they are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the resolutions to be proposed at the annual general meeting convened to consider this resolution and, insofar as any of the aforegoing may have occurred prior to such annual general meeting, same be and is hereby confirmed, ratified and approved."

8. To transact any other business that may be transacted at an annual general meeting

Voting

Each ordinary shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy (who need not be member of the Company) to attend, speak and vote in his stead.

Proxies

All beneficial owners of ordinary shares who have dematerialised their ordinary shares through a Central Securities Depository Participant ("CSDP") or broker, other than those shareholders who have elected to dematerialise their ordinary shares in "own name" registrations, and all beneficial owners of ordinary shares who hold certificated ordinary shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the Company or its transfer secretaries of this instruction not less than 24 hours before the time appointed for the holding of the meeting.

Should you as the beneficial owner, however, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee. Letters of representation must be lodged with the Company's Transfer Secretaries or at the registered office of the Company not less than 24 hours before the time appointed for the holding of the meeting.

Shareholders who hold certificated ordinary shares in their own name and shareholders who have dematerialised their ordinary shares in "own name" registrations must lodge their completed Proxy Forms with the Company's Transfer Secretaries or at the registered office of the Company not less than 24 hours before the time appointed for the holding of the meeting.

By order of the Board

MI Sacks
Company secretary

Sandton

A copy of the existing Memorandum and Articles of the Company may be inspected at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and official public holidays excluded).

FORM OF PROXY

AFROCENTRIC INVESTMENT CORPORATION LIMITED
(formerly WB Holdings Limited)
Registration Number: 1988/000570/06
("AfroCentric" or "the Company")
JSE share codes: ACT/ACTP
ISIN code: ZAE000082269

THIS FORM OF PROXY IS ONLY FOR USE BY:

1. **Registered members who have not yet dematerialised their shares in the Company, and**
2. **Registered members who have already dematerialised their shares in the Company and are registered in their own names in the company's sub-register*.**

I/WE ______________________________

of (address) ______________________________

being a shareholder/shareholders of ______________________________ votes,

hereby appoint ______________________________

of ______________________________

or failing him, ______________________________

the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the first annual general meeting of the Company to be held in the Auditorium, Ground Floor, 76 Maude Street (corner West Street), Sandton on Tuesday, 15 January 2008 at 10:00 and at any adjournment thereof as follows:

Resolution	Number of votes (one vote per ordinary share)		
	For	Against	Abstain
1. To receive and adopt the annual financial statements of the Company for the year ended 30 June 2006			
2. Re-election of directors: 2.1 JM Kahn			
2.2 MI Sacks			
3. To ratify and approve the remuneration of the directors			
4. To authorise the directors to determine the remuneration of the auditors			
5. To provide a general authority to the directors over the Company's unissued shares			
6. To provide authority to the directors to issue unissued shares for cash			
7. To give any two directors the authority to implement resolutions taken at the annual general meeting			

Form of proxy *(continued)*

Every person present and entitled to vote at the annual general meeting as a member or as a representative of a body corporate shall, on a show of hands, have one vote only, irrespective of the number of shares such person holds or represents, but in the event of a poll, every share shall have one vote.

Indicate instructions to proxy by way of a cross in space provided overleaf.

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at ______________________________ on ______________________________ 2008

Signature ______________________________

Assisted by (if applicable) ______________________________

This proxy form is **NOT** for use by members who have already dematerialised their AfroCentric shares, other than those with own name registration.

Contact details ______________________________

Tel ______________________________

Fax ______________________________

E-mail ______________________________

**Members registered in their own names are members who have appointed Computershare Custodial Services Limited as their Central Securities Depository Participant with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of Members in their own names.*

Notes

1. A member may insert the name(s) of one or more proxies (none of whom needs to be a member of the Company) in the space provided, with or without deleting the words "chairman of the meeting". The person whose name stands first on the form of proxy and has not been deleted and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the annual general meeting ("AGM").
2. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box/boxes provided. Failure to comply with the above will be deemed to authorise the proxy to vote as he/she thinks fit or, where the proxy is the chairman, such failure shall be deemed to authorise the chairman to vote in favour of the resolutions in respect of all the members' votes exercisable thereat.
3. The completion and lodging of this form of proxy shall in no way preclude the member from attending, speaking and voting in person at the AGM to the exclusion of any proxy appointed in terms hereof.
4. Should this form of proxy not be completed and/or received in accordance with these notes, the chairman may accept or reject it, provided that in respect of this acceptance, the chairman is satisfied as to the manner in which the member wishes to vote.
5. Documentary evidence establishing the authority of the person signing the form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the AGM.
6. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Company.
7. Where shares are held jointly, all joint holders are required to sign.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the transfer secretaries of the Company.
9. Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatories.
10. This form of proxy must be lodged with the registered office of the Company or the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street Johannesburg, 2001, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) not later than 24 hours before the meeting.

Designed by motiv
Printed by iNCE

AfroCentric
Investment Corporation Limited