



BRIKOR

PROSPECTUS 2007





Brikor Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/013247/06)
(JSE code: BIK ISIN: ZAE000101945)
("Brikor" or "the company")

Prospectus

Prepared and issued in terms of the Listings Requirements ("the Listings Requirements") of JSE Limited ("JSE") and the Companies Act, 1973 (Act 61 of 1973), as amended ("Act"), relating to a private placement of Brikor ordinary shares by way of an offer by the company for the subscription of 140 000 000 ordinary shares of 0.01 cent each in the issued share capital of the company at an issue price of 100 cents per ordinary share thereby raising R140 million before expenses and an offer for sale of 100 000 000 ordinary shares in the issued share capital of the company by the selling shareholders at a price of 100 cents per ordinary share (together, "the private placement") and the subsequent listing of the ordinary shares of Brikor on the Alternative Exchange ("ALT^x") of the JSE.

Opening date of private placement (09:00)	Tuesday, 31 July 2007
Closing date of private placement (12:00) *	Tuesday, 31 July 2007
Proposed listing date on ALT ^x (09:00) ("the listing date")	Tuesday, 7 August 2007

* Shareholders wishing to receive shares in dematerialised form must advise their Central Securities Depository Participant ("CSDP") or broker of their acceptance of the offer to subscribe for or to purchase shares in the manner and cut-off time stipulated by their CSDP or broker.

This prospectus is not an invitation to the general public to subscribe for or to purchase shares in Brikor. This is an offer to selected members of the public to subscribe for or to purchase shares in Brikor and is issued in compliance with the Listings Requirements and the Act for the purpose of providing information to the public and investors with regard to Brikor.

At the date of listing, the authorised share capital of Brikor will comprise 1 000 000 000 ordinary shares having a par value of 0.01 cent each. After the private placement and at the date of the listing the issued share capital of Brikor will consist of 588 380 676 ordinary shares of 0.01 cent each. 47 619 324 ordinary shares of 0.01 cent each are to be issued as part of the group restructuring upon the registration of transfer of certain immovable properties into the name of Brikor.

The ordinary shares issued and sold in terms of the private placement will rank *pari passu* with all other ordinary shares issued by Brikor. Applications for shares in Brikor must be for a minimum of 5 000 ordinary shares and in multiples of 1 000 ordinary shares thereafter.

Approval of Brikor's application for the listing of 636 000 000 ordinary shares on ALT^x under the abbreviated name "Brikor", share code "BIK" and ISIN ZAE000101945 has been granted by the JSE, subject to the required spread of public shareholders in terms of the Listings Requirements being obtained pursuant to the private placement. It is anticipated that the listing of 588 380 676 ordinary shares on the JSE will become effective from the commencement of business on Tuesday, 7 August 2007 and the listing of the balance of 47 619 324 ordinary shares will become effective upon the issue of such shares.

The shares will only be traded in electronic form and, as such, all shareholders who elect to receive shares in certificated form will have to dematerialise their certificated shares should they wish to trade therein.

The directors and the selling shareholders of Brikor, whose names are set out in Annexure 1 to this prospectus, 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 this prospectus contains all information required by law and the Listings Requirements.

RSM Betty & Dickson (Tshwane), Registered Auditors, whose reports are included in this prospectus, have given and have not, prior to publication, withdrawn their written consent to the inclusion of their reports in the form and context in which they appear. The Designated Adviser, attorneys, commercial banker and transfer secretaries, whose names are set out in this prospectus, have given and have not, prior to registration, withdrawn their written consents to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in this prospectus.

An English copy of this prospectus, accompanied by the documents referred to under "Documents available for inspection" as set out in paragraph 35 of this prospectus, was registered by the Registrar of Companies on Friday, 27 July 2007 in terms of section 155(1) of the Act.

Designated Adviser



Auditors and reporting accountants

RSM Betty & Dickson
Chartered Accountants (S.A.)

Attorneys



Date of issue: 27 July 2007

CORPORATE INFORMATION

Directors

G v N Parkin (*Chairperson*)
H Botha
K E Mathebula
G Parkin (Junior) (Alternate)
E G Dube *
* Non-executive

Company Secretary and registered office

H Botha
68 Eighth Street
Springs, 1559
(PO Box 410, Springs, 1559)
Telephone: (011) 739 9000
Facsimile: (011) 739 9021

Designated Adviser

Exchange Sponsors (Pty) Limited
(Registration number 1999/024433/07)
39 First Road
Hyde Park, 2196
(PO Box 411216, Craighall, 2024)
Telephone: (011) 447 2951
Facsimile: (011) 447 1929

Auditors and reporting accountants

RSM Betty & Dickson (Tshwane)
(Practice number 901520A)
Suite 1, 267 Waterkloof Road
Brooklyn, 0181
(Private Bag X22, Brooklyn Square, 0075)
Telephone: (012) 460 5241
Facsimile: (012) 346 3434

Commercial banker

FNB Corporate, A division of FirstRand Bank Limited
(Registration number 1929/001225/06)
1st Floor FNB Building, 15 Ernest Oppenheimer Avenue
Bruma Lake Office Park
Bruma, 2198
(Postnet Suite Number 334, Private Bag X19
Garden View, 2047)
Telephone: (011) 856 2300
Facsimile: (011) 856 2333

Transfer secretaries

Computershare Investor Services 2004
(Pty) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
Telephone: (011) 370 5000
Facsimile: (011) 688 5210

Attorneys

Fluxmans Inc.
(Registration number 2000/024775/21)
11 Biermann Avenue
Rosebank, 2196
(Private Bag X41, Saxonwold, 2196)
Telephone: (011) 328 1700
Facsimile: (011) 880 2261

Date of incorporation: 10 July 1998

Place: Pretoria

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DETAILS OF OFFER

The salient features are a summary only. For a full appreciation, this prospectus should be read in its entirety. The definitions commencing on page 12 of this prospectus apply *mutatis mutandis* to the details of the offer.

1. INCORPORATION AND HISTORY

- 1.1** In August 1994 Garnett Parkin senior, an entrepreneur, formed Marievale Brickworks which acquired certain immovable properties in Nigel from Marievale Gold Mine Limited. He and his son Garnett van Niekerk Parkin through Marievale Brickworks built a brick factory for the manufacture of semi-face bricks. This factory initially produced 15 million bricks per annum.
- 1.2** PME was formed by Garnett Parkin senior at the same time. It acquired a fleet of two trucks and three trailers, which were primarily responsible for farming operations, the transport of clay and coal, as well as the distribution of bricks.
- 1.3** In 1996 Garnett van Niekerk Parkin acquired 100% of the entire issued share capital of Marievale Brickworks and PME when Garnett Parkin senior passed away.
- 1.4** Basfour (Pty) Limited was incorporated as a private company on 10 July 1998, with Garnett van Niekerk Parkin as its only shareholder, and acquired factory land in Nigel. A second brick plant was commissioned by the company with a production capacity of 14 million bricks per annum.
- 1.5** Marievale Bamford was formed in November 1999 and it purchased land and plant in Olifantsfontein where the group's third face brick plant, with a gas firing tunnel kiln with a production capacity of 16.7 million bricks per annum, was commissioned in March 2000.
- 1.6** In 2000 PME acquired further land in Rayton to supply clay to the brick plant in Olifantsfontein.
- 1.7** Basfour (Pty) Limited changed its name to Brikor (Pty) Limited on 19 November 2001 and the brick manufacturing and sales operations of the group, including those conducted by Marievale Brickworks, were consolidated into Brikor. Since 2001 coal underlying the clay deposits was commissioned to service the needs in the group's industry, which ensured that the group became self sufficient from the supply of coal.
- 1.8** During 2002 the production capacities of the brick plants in Nigel were increased to 116 million bricks per year by expanding the crushing and extruding facilities at these plants. In April 2002 Garnett van Niekerk Parkin formed Clay Concepts (Pty) Limited, which acquired the Vitro clay pipe factory in Vereeniging, which has been in operation since 1967. On 11 March 2004, Clay Concepts (Pty) Limited changed its name to Brikor Vitro (Pty) Limited. This plant was then converted to the group's fourth brick plant, with a production capacity of 24 million bricks per annum.
- 1.9** In 2002 Brikor built and commissioned a roof tile plant at Olifantsfontein with a production capacity of 20 million tiles per year.
- 1.10** Due to demands from the market, the clay pipe plant in Vereeniging was re-commissioned in May 2003 and is currently producing and supplying 5 400 tons of clay pipes to City Councils, plumbers and Government departments. It is presently the only clay pipe factory in South Africa and one of two in Africa.
- 1.11** In November 2003 Brikor acquired its fifth brick plant in Bronkhorstspuit which, after its upgrade, was commissioned in 2005.

- 1.12** With effect from 28 February 2007, the group was rationalised and restructured with Brikor acquiring the businesses of PME and Brikor Vitro as going concerns and the immovable properties owned by Marievale Bamford and Garnett van Niekerk Parkin, in terms of the PME Sale of Business Agreement, the Brikor Vitro Sale of Business Agreement, Marievale Sale Agreement and the Varkensfontein Sale Agreement, the particulars of which agreements are detailed in paragraphs 28.1, 28.2, 28.3 and 28.4 of this prospectus.
- 1.13** On 18 May 2007 Brikor was converted to a public company.
- 1.14** Brikor has various manufacturing plants, mainly in Gauteng with production capacities in excess of 270 million bricks per annum, 18 million roof tiles per annum and 5 400 tons of clay pipes per annum. The new roof tile and paver plants will be commissioned at Olifantsfontein in July 2007 and will increase capacities of roof tiles to 40 million and pavers to 70 million per annum.

2. NATURE OF THE COMPANY'S BUSINESS

2.1 Manufacture of bricks

- 2.1.1** Clay brick production is a capital-intensive ceramic process, which requires long-term planning.
- 2.1.2** Clay mixed with water produce a plastic mass that can be shaped by pressure to form a brick. Iron compounds in clay materials, usually the oxides, account for most of the wide range of colours found in the finished product. Clays containing up to 3% iron oxide give white to cream colours, which change to pinks and reds as the iron oxide content rises to between 8% and 10%.
- 2.1.3** It takes on average two to nine weeks to manufacture bricks, depending on the drying and firing process. Different clays are mixed according to a recipe for brick colour and are crushed, milled and screened to the required texture. The clay mix has 17% water added in a mixer is then extruded into a column, which is pushed through a brick cutter. The unfired bricks are stacked by hand onto wooden pallets or a kiln car and transported to the drying process. The outdoor hackline drying process takes three to six weeks to dry the bricks and the tunnel drying process takes 33 to 48 hours.
- 2.1.4** Dry bricks are then fired in a kiln (coal or gas fired) at temperatures between 1 000° and 1 200°C to produce a weather resistant product. The "clamp" Coal Fired Kiln takes two to three weeks to fire the bricks and the Gas Fired Tunnel Kiln takes 48 hours to fire the bricks. The fired bricks are sorted according to grade and quality and then classified into classes such as FBA, FBS, NFP and NFX in accordance with the standards set out by the SABS.
- 2.1.5** The complete manufacturing process is monitored by the plants' quality control personnel.

2.2 Manufacture of roof tiles (SABS compliant)

- 2.2.1** Roof tiles are manufactured with rapid set cement, sand, aggregate, water and colour pigment. The water is added to the dry components to initiate the chemical changes leading to hardening. This mixture is conveyed through an extruder onto a profiled pallet mould and cut into roof tiles, which are then dried in a dryer. After 12 hours the roof tiles are sorted for quality, stripped and packed onto wooden pallets and retained in the yard for three days to cure as required by the SABS quality specifications.
- 2.2.2** The complete manufacturing process is monitored by the plant's quality control department and audited by the SABS every three months.

2.3 Manufacture of clay pipes

The manufacturing process of clay pipes is similar to the manufacturing of bricks, but specialised extrusion methods are used.

2.4 Manufacture of pavers

The ingredients of concrete pavers are rapid set cement, sand, aggregate, water and colour pigment. The mixture is conveyed onto a vibrating press with the required pavers' profiled mould. These pavers pass through a dryer and are then automatically palletised and strapped. The manufacturing process is 24 hours.

3. PROSPECTS

In the opinion of the directors of the company, based on experience and market information available:

3.1 Increase in capacity of brick manufacturing

3.1.1 Brikor is continuously expanding its existing capacity and improving its margins and yields. The raising of capital through the private placement will allow the company to expand its capacity and to diversify such capacity. In this regard Brikor will commission a new roof tile and paver plant in Olifantsfontein during July 2007, the capital commitments in respect of which are set out in paragraph 17 of this prospectus.

3.1.2 It will also allow the company to acquire manufacturers of other related building supply products.

3.2 Geographical expansion

Brikor intends to expand its operations geographically. The geographical expansion will include manufacturing plants as well as the expansion of factory outlets or retail distribution centres.

3.3 Product expansion

The company will expand its current product offering into other "building material products" such as cement bricks, cladding, cement tiles, lateral support products and aggregates.

3.4 BEE

Various BEE companies have been identified as empowerment partners that can contribute to the company's objectives. Once empowered the company will aggressively tender for new projects for which it could previously not tender, relying also on South Africa's expected economic growth in anticipation of the 2010 FIFA World Cup.

3.5 Industry opportunities

Brikor will continue to supply the current residential and commercial construction markets. It is however one of the business strategies to enter the lower end of the market with more appropriate products.

4. SUMMARY OF HISTORICAL AND FORECAST INCOME STATEMENTS

The summarised historical and forecast financial information of Brikor for the financial year ended 28 February 2007, the financial years ending 29 February 2008 and 28 February 2009, the preparation of which is the responsibility of the directors, are set out below. This financial information must be read in conjunction with the independent reporting accountants' report thereon reproduced in Annexures 3, 4 and 6.

4.1 Extracts from the historical and forecast income statements

	<i>Pro forma</i> 28 February 2007 ⁽²⁾	Forecast 29 February 2008	Forecast 28 February 2009
	R'000	R'000	R'000
Revenue	305 531	421 600	512 155
Gross profit	106 943	134 363	164 066
Other income	733	–	–
Operating costs	(29 703)	(34 993)	(43 231)
EBITDA	77 973	99 370	120 835
Depreciation	(13 779)	(13 747)	(16 974)
Profit before interest and taxation	64 194	85 623	103 861
Loss on disposal of non-current assets	(132)	–	–
Net interest (paid)/received	(3 094)	6 290	10 441
Profit before taxation	60 968	91 913	114 302
Taxation	(18 900)	(26 632)	(33 121)
Earnings attributable to ordinary shareholders	42 068	65 281	81 181
Reconciliation of headline earnings:			
Profit attributable to ordinary shareholders	42 068	65 281	81 181
Loss on disposal of non-current assets	94	–	–
Headline earnings attributable to ordinary shareholders	42 162	65 281	81 181
<i>Pro forma</i> weighted average shares in issue on which earnings are based ⁽¹⁾	489 000 000	577 602 740	636 000 000
<i>Pro forma</i> earnings per share (cents)	8.6	11.3	12.8
<i>Pro forma</i> headline earnings per share (cents)	8.6	11.3	12.8

Notes:

- (1) The *pro forma* weighted average number of shares in issue for 28 February 2007 is based on the sub-division and increase of the ordinary shares in issue into 489 000 000 ordinary shares in issue on the last practicable date as set out in paragraph 24.3 of this prospectus.
- (2) The historical *pro forma* financial information for 28 February 2007 is an extract from the unaudited *pro forma* financial information after the consolidation column as set out in Annexure 5.
- (3) The assumptions upon which the forecast income statements are based are set out in paragraph 12.2 of this prospectus.

5. PURPOSE OF THE PRIVATE PLACEMENT AND THE LISTING

5.1 The purpose of the private placement is to:

- raise capital and to have the flexibility of listed shares in order to allow the company to take advantage of any acquisitive opportunities that may arise in the future that will complement the company's businesses thereby accelerating its growth;
- procure greater access to the capital markets;
- enhance investor and general public awareness of Brikor, its activities and specialised skills;
- attract and retain intellectual capital through the incentive of meaningful equity participation;
- broaden Brikor's shareholder base and to obtain a spread of at least 100 shareholders who are required to hold a minimum of 10% of the entire issued share capital of Brikor for the purpose of the listing of Brikor's ordinary shares on ALT^X;

- afford members of the investing public, clients and business associates of Brikor the opportunity to participate directly in the income stream of Brikor, as well as in the future capital growth of its assets;
- raise the company's profile leading to new business opportunities.

5.2 The private placement consists of an offer by Brikor for the subscription of 140 000 000 ordinary shares at an issue price of 100 cents per share and an offer for sale by the selling shareholders of 100 000 000 ordinary shares at a price of 100 cents per share. A total amount of R140 000 000, before issue and listing expenses, will be raised by the company in terms of the offer for subscription to selected private individuals, corporations and institutions. The proceeds of the private placement will be applied firstly to the offer for subscription (R140 million), which will allow the company to accelerate its growth as set out in paragraph 3 above. Thereafter, the proceeds of the private placement will be applied to the offer for sale (R100 million), which will allow the selling shareholders to realise some of their investment in the company and to improve the shareholder spread of Brikor's ordinary shares.

5.3 Those private individuals, corporations and institutions who have been invited to apply should do so by completing the attached private placement application form in accordance with the provisions of this prospectus and the instructions contained in the private placement application form.

5.4 No offer will be made to the general public in terms of the private placement. The private placement will be made to selected applicants only.

5.5 Subject to the achievement of the required spread of public shareholders, the JSE has formally approved the listing of 636 000 000 ordinary shares in the share capital of Brikor on ALT^X with effect from commencement of business on Tuesday, 7 August 2007. 588 380 676 ordinary shares will be issued and listed on listing date and the balance of 47 619 324 ordinary shares will be issued as part of the group restructuring upon the registration of transfer of certain immovable properties into the name of Brikor, the listing of which will become effective upon the issue of such shares. The shares will trade under the abbreviated name "Brikor", with the JSE code "BIK" and ISIN ZAE000101945.

6. DETAILS OF THE PLACEMENT

6.1 Salient features

6.1.1 The salient features of the private placement are as follows:

– Offer price per ordinary share (cents)	100
– Par value per ordinary share (cents)	0.01
– Premium per ordinary share (cents)	99.99
– Number of ordinary shares offered by the company for subscription in terms of the private placement	140 000 000
– Issue consideration to be received by the company before expenses	R140 million
– Number of ordinary shares offered for sale by the selling shareholders in terms of the private placement	100 000 000
– Total consideration to be received by the selling shareholders	R100 million

6.1.2 The opening and closing dates of the private placement are as follows:

Opening date of the private placement (09:00)	Tuesday, 31 July 2007
Closing date of private placement (12:00)	Tuesday, 31 July 2007
Proposed listing date on ALT ^X (09:00)	Tuesday, 7 August 2007

6.1.3 The private placement will not be underwritten and is not subject to a minimum subscription being achieved. The proceeds received in terms of the private placement will be applied firstly to the offer for subscription and thereafter to the offer for sale. Applications for shares in Brikor must be for a minimum of 5 000 ordinary shares and in multiples of 1 000 ordinary shares thereafter.

7. COPIES OF THIS PROSPECTUS

Copies of this prospectus, in English, may be obtained during business hours, from Tuesday, 31 July 2007 from the registered office of Brikor, and the offices of Exchange Sponsors (Pty) Limited and the transfer secretaries, details of which are set out in the "Corporate information" section of this prospectus.

IMPORTANT DATES AND TIMES

2007

Abridged prospectus released on SENS on	Tuesday, 31 July
Opening date of the private placement (09:00)	Tuesday, 31 July
Closing date of private placement (12:00)	Tuesday, 31 July
Listing of Brikor on ALTX (09:00)	Tuesday, 7 August
Accounts at CSDP or broker updated in respect of dematerialised shareholders on or about ⁽¹⁾	Tuesday, 7 August
Posting of share certificates in respect of certificated shareholders on or about	Tuesday, 7 August
Refund of surplus private placement application monies received (where applicable) on	Wednesday, 8 August

Notes:

- (1) CSDP's effect payment on a delivery versus payment basis.
- (2) The above dates are subject to change. Any such change will be released on SENS.
- (3) Shareholders wishing to receive shares in dematerialised form must advise their CSDP or broker of their acceptance of the offer to subscribe for or to purchase shares in the manner and cut-off time stipulated by their CSDP or broker.

DEFINITIONS

In this prospectus, its annexures and the attachment hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meanings stated opposite them in the second column, as follows:

“2010 FIFA World Cup”	the Federation Internationale de Football Association world cup to be hosted in South Africa in 2010;
“Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“ALTX”	the Alternative Exchange of the JSE;
“applicants”	selected private individuals, corporations and institutions who have been invited to subscribe for or to purchase ordinary shares in terms of the private placement;
“application form”	the application form in respect of the private placement, attached to and forming part of this prospectus;
“Articles of Association”	the articles of association of Brikor;
“auditors” or “independent reporting accountants”	RSM Betty & Dickson (Tshwane), Registered Auditors (Practice number 901520A);
“BEE”	broad-based black economic empowerment as defined in the Broad-Based Black Economic Empowerment Act, 53 of 2003, as the economic empowerment of all black people, including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies;
“Brikor” or “the company”	Brikor Limited (Registration number 1998/013247/06), incorporated as a private company in accordance with the laws of South Africa with the name Basfour (Pty) Limited, which changed its name to Brikor (Pty) Limited on 1 November 2001 and converted to a public company on 18 May 2007.
“Brikor Vitro”	Brikor Vitro (Pty) Limited, (Registration number 1991/000734/07), a private company incorporated in accordance with the laws of South Africa, whose business was sold as a going concern to Brikor as part of the group restructuring;
“the Brikor Vitro Sale of Business Agreement”	the sale of business agreement entered into between Brikor Vitro as vendor and Brikor as purchaser, in terms of which Brikor acquired the business conducted by Brikor Vitro including the immovable properties from which the business is conducted as a going concern, with effect from 28 February 2007, for a consideration of R83 059 685 in a group formation transaction, the particulars of which are detailed in paragraph 28.3 and Annexure 7;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“certificated shareholders”	shareholders who hold certificated shares;
“certificated shares”	ordinary shares, in respect of which physical Brikor share certificates will be issued;

“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act, 36 of 2004, appointed by an individual shareholder for purposes of and in regard to the dematerialisation of documents of title for purposes of incorporation into the Strate system;
“dematerialised shareholder”	a shareholder who holds dematerialised shares;
“dematerialised shares”	ordinary shares which have been incorporated into the Strate system and which are no longer evidenced by physical documents of title in terms of the Securities Services Act, 36 of 2004;
“Designated Adviser”	Exchange Sponsors (Pty) Limited (Registration number 1999/024433/07), a private company incorporated in accordance with the laws of South Africa, a Designated Adviser as defined in the Listings Requirements;
“directors” or “board of directors”	the directors of Brikor, further details of whom appear in Annexure 1;
“DIY”	Do It Yourself;
“documents of title”	share certificates, certified transfer deeds in respect of balance receipts or any other documents of title acceptable to Brikor in respect of ordinary shares;
“EBITDA”	earnings before interest, taxation, depreciation and amortisation;
“Elgar Share Trust”	the Elgar Share Trust (Master’s Reference IT4502/99; whose beneficiaries are Garnett van Niekerk Parkin and his descendants);
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“FBA”	Face Brick Aesthetic, defined as clay bricks that are selected or produced for their durability and aesthetic effect deriving from non-uniformity of size, shape or colour;
“FBS”	Face Brick Standard, defined as clay bricks that are selected or produced for their durability and uniformity of size and shape;
“GDP”	Gross Domestic Product;
“GFCF”	Gross Fixed Capital Formation;
“group restructuring” or “restructure”	the restructure of the group pursuant to the implementation of the Restructure Agreements;
“HR”	Human Resources;
“IFRS”	International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board, International Financial Reporting Interpretations Committee and International Accounting Standards, and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee;
“incorporation”	the date of incorporation of Brikor, being 10 July 1998;
“IT”	Information Technology;
“kiln”	a kiln is the oven used in the firing of materials such as bricks;

“JSE”	JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act, 36 of 2004, as amended;
“King Code”	King Report on Corporate Governance for South Africa, 2002;
“the last practicable date”	the last practicable date prior to the finalisation of this prospectus, being Tuesday, 10 July 2007;
“the listing”	the proposed listing of the entire issued share capital of Brikor on ALTX, on Tuesday, 7 August 2007;
“Listings Requirements”	the Listings Requirements of the JSE;
“Marievale Bamford”	Marievale Bamford (Pty) Limited, (Registration number 2000/003998/07), an asset holding private company incorporated in accordance with the laws of South Africa, whose immovable property was sold to Brikor in a group formation transaction;
“the Marievale Bamford Sale Agreement”	the sale agreement entered into between Marievale Bamford as vendor and Brikor as purchaser, in terms of which Brikor acquired the immovable property situated at Premier Road, Olifantsfontein from Marievale Bamford, with effect from 28 February 2007, for a consideration of R3 850 000 in a group formation transaction;
“Marievale Brickworks”	Marievale Brickworks (Pty) Limited, (Registration number 1994/006183/07), a dormant private company incorporated in accordance with the laws of South Africa;
“NFP”	Non-Facing Plastered, defined as clay bricks suitable for general work that is to be plastered;
“NFX”	Non-Facing Extra, defined as clay bricks suitable for use, plastered or unplastered, for general building work below damp-proof course or under damp conditions or below ground level where durability rather than aesthetics is the criterion for selection;
“non-resident”	a person whose registered address is outside the common monetary area and who is not an emigrant;
“offer for sale”	an offer, forming part of the private placement, in terms of which the selling shareholders offer 100 000 000 ordinary shares for sale at a price of 100 cents per ordinary share;
“offer for subscription”	an offer, forming part of the private placement, in terms of which the company offers, 140 000 000 ordinary shares for subscription at an issue price of 100 cents per ordinary share;
“ordinary shares”	ordinary shares of 0.01 cent each in the share capital of the company;
“own-name registration”	shareholders who will hold ordinary shares which have been dematerialised and are recorded by a CSDP on the register kept by that CSDP in the name of such shareholder;
“PME”	Parkin Mine Enterprises (Pty) Limited (Registration number 1994/006166/07), a private company incorporated in accordance with the laws of South Africa, whose business was sold as a going concern to Brikor as part of the group restructuring;

“the PME Sale of Business Agreement”	the sale of business agreement entered into between PME as vendor and Brikor as purchaser, in terms of which Brikor acquired the business conducted by PME, including the immovable properties from which the business is conducted as a going concern, with effect from 28 February 2007, for a consideration of R81 459 270 in a group formation transaction the particulars of which are detailed in paragraph 28.2 and Annexure 7;
“private placement” or “placement”	the private placement of 140 000 000 ordinary shares pursuant to of the offer for sale and the offer for subscription to selected institutions, corporations and individuals for cash at a consideration of 100 cents per ordinary share;
“this prospectus”	this bound document, dated 27 July 2007, including all annexures and the attachment hereto;
“Rand” or “R” or “cents”	the official currency of South Africa;
“Registrar of Companies”	the Registrar of Companies in South Africa;
“Restructure Agreements”	collectively, the Brikor Vitro Sale of Business Agreement, the Marievale Bamford Sale Agreement, the PME Sale of Business Agreement and the Varkensfontein Sale Agreement;
“SA GAAP”	South African Generally Accepted Accounting Practice;
“SABS”	South African Bureau of Standards;
“SARB”	South African Reserve Bank;
“selling shareholders”	those of the existing shareholders of Brikor who will be placing a portion of their shareholding in Brikor in terms of the offer for sale, collectively, Garnett van Niekerk Parkin, PME and Brikor Vitro, being the vendors as detailed in Annexure 7;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“share incentive scheme”	the Brikor Share Incentive Scheme, the salient features of which are set out in Annexure 9;
“shareholders”	holders of ordinary shares;
“STC”	Secondary Tax on Companies;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Limited (Registration number 1998/022242/06), a public company incorporated in accordance with the laws of South Africa;
“transfer secretaries”	Computershare Investor Services 2004 (Pty) Limited (Registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa;
“Varkensfontein Sale Agreement”	the sale of immovable property agreement entered into between Garnett van Niekerk Parkin as vendor and Brikor as purchaser in terms of which Brikor acquired the immovable property situated at Portion 27 of the farm Varkensfontein 169 for a consideration of R390 000; and
“VAT”	Value-Added Tax as defined in the Value-Added Tax Act (Act 89 of 1991), as amended.



Brikor Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/013247/06)
(JSE code: BIK ISIN: ZAE000101945)

Directors

G v N Parkin (*Chairperson*)

H Botha

K E Mathebula

G Parkin (Junior) (*Alternate*)

E G Dube *

* Non-executive

PROSPECTUS

1. INTRODUCTION

- 1.1 Brikor intends to list its ordinary shares on ALT^X as a strategic step which will facilitate the raising of capital in support of its vision of becoming one of the leading manufacturers and suppliers of bricks, roof tiles, pavers, clay pipes and other building materials to the construction industry.
- 1.2 The private placement and listing will provide the company with capital to accelerate its growth. Listed shares will allow the company to take advantage of any acquisitive opportunities that may arise in the future that will compliment the company's growth.
- 1.3 A listing will also provide an incentive for the retention and reward of key staff members through equity participation. Employees will also have the opportunity of becoming shareholders of the company, thereby further strengthening their commitment to the company's success.
- 1.4 A listing will further enhance the company's corporate profile, as well as BEE opportunities within the sector.
- 1.5 The comfort associated with increased corporate governance in contracting with a listed entity will be vital when dealing with larger corporations.
- 1.6 Ultimately, the listing will provide the platform for the company to aggressively pursue its strategy and objective of becoming one of the leading manufacturers and suppliers of bricks, roof tiles, pavers, clay pipes and other building materials to the construction industry.

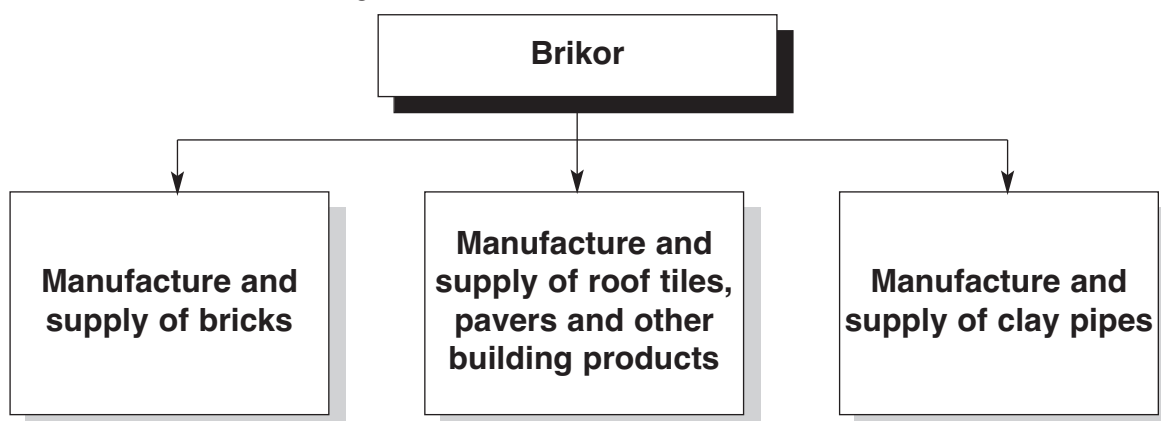
2. INCORPORATION AND HISTORY

- 2.1 In 1994 Garnett Parkin senior, an entrepreneur, formed Marievale Brickworks which acquired certain immovable properties in Nigel from Marievale Gold Mine Limited. He and his son Garnett van Niekerk Parkin through Marievale Brickworks built a brick factory for the manufacture of semi-face bricks. This factory initially produced 15 million bricks per annum.

- 2.2** PME was formed by Garnett Parkin senior at the same time. It acquired a fleet of two trucks and three trailers, which were primarily responsible for farming operations, the transport of clay and coal, as well as the distribution of bricks.
- 2.3** In 1996 Garnett van Niekerk Parkin acquired 100% of the entire issued share capital of Marievale Brickworks and PME when Garnett Parkin senior passed away.
- 2.4** Basfour (Pty) Limited was incorporated as a private company on 10 July 1998 and acquired factory land in Nigel. A second brick plant was commissioned by the company with a production capacity of 14 million bricks per annum.
- 2.5** Marievale Bamford was formed in November 1999 and it purchased land and plant in Olifantsfontein where the group's third face brick plant, with a gas firing tunnel kiln with a production capacity of 16.7 million bricks per annum, was commissioned in March 2000.
- 2.6** In 2000 PME acquired further land in Rayton to supply clay to the brick plant in Olifantsfontein.
- 2.7** Basfour (Pty) Limited changed its name to Brikor (Pty) Limited on 19 November 2001 and the brick manufacturing and sales operations of the group, including those conducted by Marievale Brickworks, were consolidated into Brikor. Since 2001 coal underlying the clay deposits was commissioned to service the needs in the group's industry, which ensured that the group became self sufficient from the supply of coal.
- 2.8** During 2002 the production capacities of the brick plants in Nigel were increased to 116 million bricks per year by expanding the crushing and extruding facilities at these plants. In April 2002 Garnett van Niekerk Parkin formed Clay Concepts (Pty) Limited, which acquired the Vitro clay pipe factory in Vereeniging, which has been in operation since 1967. On 11 March 2004, Clay Concepts (Pty) Limited changed its name to Brikor Vitro (Pty) Limited. This plant was then converted to the group's fourth brick plant, with a production capacity of 24 million bricks per annum.
- 2.9** In 2002 Brikor built and commissioned a roof tile plant at Olifantsfontein with a production capacity of 20 million tiles per year.
- 2.10** Due to demands from the market, the clay pipe plant in Vereeniging was re-commissioned in May 2003 and is currently producing and supplying 5 400 tons of clay pipes to City Councils, plumbers and Government departments. It is presently the only clay pipe factory in South Africa and one of two in Africa.
- 2.11** In November 2003 Brikor acquired its fifth brick plant in Bronkhorstspuit which after its upgrade was commissioned in 2005.
- 2.12** With effect from 28 February 2007, the group was rationalised and restructured with Brikor acquiring the businesses of PME and Brikor Vitro as going concerns and the immovable properties owned by Marievale Bamford and Garnett van Niekerk Parkin, in terms of the PME Sale of Business Agreement, the Brikor Vitro Sale of Business Agreement, Marievale Sale Agreement and the Varkensfontein Sale Agreement, the particulars of which agreements are detailed in paragraphs 28.1, 28.2, 28.3 and 28.4 below.
- 2.13** On 18 May 2007 Brikor was converted to a public company.
- 2.14** Brikor has various manufacturing plants, mainly in Gauteng with production capacities in excess of 270 million bricks per annum, 18 million roof tiles per annum and 5 400 tons of clay pipes per annum. The new roof tile and paver plants will be commissioned at Olifantsfontein in July 2007 and will increase capacities of roof tiles to 40 million and pavers to 70 million per annum.

3. GROUP STRUCTURE AND DIVISIONS

3.1 On 28 February 2007 the group was restructured and the businesses conducted by the group were consolidated into the following three main divisions:



3.2 The table below sets out the geographical location of Brikor's operations and the production capacity of each operation at 28 February 2007:

Location	Plant	Type	Tons (millions) Bricks	Tons (millions) Other products
Nigel	Plant 1	Bricks	67.7	–
	Plant 3	Bricks	55.4	–
Olifantsfontein ⁽¹⁾	Bamford	Bricks	13.3	–
	Roof tile plant	Roof tiles	–	17.8
Vereeniging	Vitro	Bricks	21.8	–
	Vitro pipes	Clay pipes	–	100
Bronkhorstspuit	Bronkhorstspuit	Bricks	89.5	–
Grootvaly ⁽²⁾	Largo plant	Bricks	31.5	–
Total bricks			279.2	

Notes:

(1) The new roof tile plant and paver plant will be commissioned during July 2007 at Olifantsfontein.

(2) The Largo Plant was decommissioned in February 2007 due to the expiry of the rental agreement. A portion of the production capacity was incorporated at Plant 1 with the introduction of additional shifts.

3.3 Separate historical financial information is provided for Brikor in Annexure 2. The historical financial information of the other companies in terms of the group restructuring is not substantial in terms of the Listings Requirements and is therefore not provided. Paragraph 23 below contains information of Brikor's subsidiary.

4. NATURE OF BUSINESS

4.1 Manufacture of bricks

4.1.1 Clay brick production is a capital-intensive ceramic process, which requires long-term planning.

4.1.2 Clay mixed with water produce a plastic mass that can be shaped by pressure to form a brick. Iron compounds in clay materials, usually the oxides, account for most of the wide range of colours found in the finished product. Clays containing up to 3% iron oxide give white to cream colours, which change to pinks and reds as the iron oxide content rises to between 8% and 10%.

4.1.3 It takes on average two to nine weeks to manufacture bricks, depending on the drying and firing process. Different clays are mixed according to a recipe for brick colour and are crushed, milled and screened to the required texture. The clay mix has 17% water added in a mixer is then extruded into a column, which is pushed through a brick cutter. The unfired bricks are stacked by hand onto wooden pallets or a kiln car and transported to the drying process. The outdoor hackline drying process takes three to six weeks to dry the bricks and the tunnel drying process takes 33 to 48 hours.

4.1.4 Dry bricks are then fired in a kiln (coal or gas fired) at temperatures between 1 000° and 1 200°C to produce a weather resistant product. The “clamp” Coal Fired Kiln takes two to three weeks to fire the bricks and the Gas Fired Tunnel Kiln takes 48 hours to fire the bricks. The fired bricks are sorted according to grade and quality and then classified into classes such as FBA, FBS, NFP and NFX in accordance with the standards set out by the SABS.

4.1.5 The complete manufacturing process is monitored by the plants’ quality control personnel.

4.2 Manufacture of roof tiles (SABS compliant)

4.2.1 Roof tiles are manufactured with rapid set cement, sand, aggregate, water and colour pigment. The water is added to the dry components to initiate the chemical changes leading to hardening. This mixture is conveyed through an extruder onto a profiled pallet mould and cut into roof tiles, which are then dried in a dryer. After 12 hours the roof tiles are sorted for quality, stripped and packed onto wooden pallets and retained in the yard for three days to cure as required by the SABS quality specifications.

4.2.2 The complete manufacturing process is monitored by the plant’s quality control department and audited by the SABS every three months.

4.3 Manufacture of clay pipes

The manufacturing process of clay pipes is similar to the manufacturing of bricks, but specialised extrusion methods are used.

4.4 Manufacture of pavers

The ingredients of concrete pavers are rapid set cement, sand, aggregate, water and colour pigment. The mixture is conveyed onto a vibrating press with the required pavers’ profiled mould. These pavers pass through a dryer and are then automatically palletised and strapped. The manufacturing process is 24 hours.

4.5 The company does not receive any Government protection and there is no investment encouragement law affecting the company’s businesses.

5. INDUSTRY BACKGROUND

5.1 General overview of the industry

5.1.1 The South African economy grew by 4.9% in 2006 and the South African Government remains committed to achieve GDP growth of 6% by 2010. Growth in the real value added by the construction sector accelerated from an annualised rate of 4.1% in the second half of 2005 to 6.1% in the second half of 2006. It is expected the GFCF as a percentage of GDP will increase to approximately 25% from the current level of approximately 18%.

5.1.2 The astounding and dynamic force with which the South African economy expanded in the fourth quarter of last year included a significant contribution from a surging construction sector. This sector maintained a growth of 13% to 14% throughout the year.

GDP growth

Quarter-on-quarter, seasonally adjusted, annualised:

Sector	Q1'06	Q2'06	Q3'06	Q4'06
Agriculture	(18.8)	(29.9)	(14.9)	(8.4)
Mining	(5.5)	3.4	0.3	4.6
Manufacturing	3.3	6.3	4.7	8.3
Power and Water	3.8	4.3	0.8	1.5
Construction	13.4	14.5	14.3	14.2
Trade	5.2	6.4	6.2	5.6
Transport and Commerce	5.1	5.7	5.5	5.4
Finance	14.0	10.6	4.9	7.2
General Government	3.1	1.6	4.0	3.4
Personal Services	4.4	2.7	1.3	2.2
Value Added	5.5	5.2	4.2	5.7
GDP	5.0	5.5	4.5	5.6

Source: Research Report on The Manufacture of Clay and Concrete Bricks June 2007.

5.1.3 The South African Government has committed to a significant programme of spending on infrastructure and the ambitious affordable housing program is gathering momentum. Government provided for over R400 billion to fund public infrastructure over the next three years in the February 2006 Budget. The majority of this spending will be directed towards transport with R63 billion allocated to the building and rehabilitation of national and provincial roads. R32.4 billion will be spent on low cost housing while provincial health and educational infrastructure will also see significant activity.

5.1.4 Eskom and Transnet have also embarked on significant capital expenditure programs. Transnet's commitment of R64.5 billion over the next five years aims to address the significant backlog and commencement of port, rail and pipeline capacity for future growth.

5.1.5 The construction sector can be divided into three main sub-sectors, as follows:

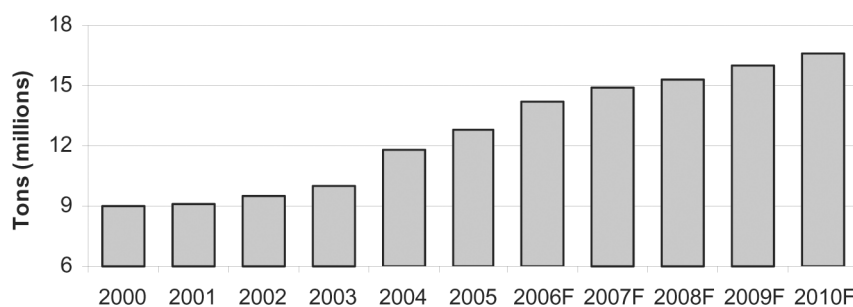
- Civil engineering and construction;
- Residential building; and
- Non-residential building.

5.1.6 Prospects for the industry remain buoyant. Despite signs of a potential slow down in residential activity, the planned South African Government infrastructure spend coupled with private expenditure will lead to a boost in civils and the non-residential sectors of the construction sector. The low cost housing segment which is Government funded will continue to grow and is less sensitive to interest rate changes.

5.1.7 Over the medium term, housing delivery will be speeded up. Informal housing settlements are to be upgraded and municipal and residential development planning is to be streamlined to ensure more sustainable integrated mixed-use housing settlements. The integrated housing and human settlement development grant has allocated an additional R2.7 billion over the next three years, bringing the total housing programme allocation to R29.6 billion over the next three years. By 2009/2010 spending on the programme will exceed R11 billion per year.

5.1.8 The increase in the construction activity and the anticipated continuation of this trend is evidenced in the expected increase in cement sales:

Cementitious sales demand 2000 - 2010



Source: Concrete and Cement Institute.

5.2 Pre-cast blocks and bricks

Pre-cast blocks and bricks are primarily used in residential and non-residential construction projects. The pre-cast market is highly fragmented with hundreds of small “backyard” facilities and fewer large manufacturers who have the ability to provide SABS approved products in sizeable volumes.

5.3 Conclusion on industry

5.3.1 The combined annual manufacturing capacity of the South African clay brick industry is estimated at 4.5 billion units per annum with an annual turnover of R3 billion, which includes pavers, stock bricks and face bricks. Bricks and blocks represent approximately 15% to 17% of total materials purchased in the building industry (CETA, sector profile).

5.3.2 South Africa's construction industry is an important part of the overall economy, comprising almost 30% of total investment, contributing 5.1% to South Africa's GDP and providing jobs to an estimated 500 000 people.

5.3.3 The construction industry has performed extremely well in the last couple of years. Sound economic fundamentals (growing economy, stable inflation and relatively low interest rates) coupled with substantial commitment to investment in infrastructure by Government provide a strong indication of the continued growth of the sector.

Source: Research Report on The Manufacture of Clay and Concrete Bricks June 2007.

6. PROSPECTS

In the opinion of the directors of the company, based on experience and market information available:

6.1 Increase in capacity of brick manufacturing

6.1.1 Brikor is continuously expanding its existing capacity and improving its margins and yields. The raising of capital through the private placement will allow the company to expand its capacity and to diversify such capacity. In this regard Brikor will commission a new roof tile and paver plant in Olifantsfontein in July 2007, the capital commitments in respect of which are set out in paragraph 17 below.

6.1.2 It will also allow the company to acquire manufacturers of other related building supply products.

6.2 Geographical expansion

In addition Brikor intends to expand its operation geographically. The geographical expansion will include manufacturing plants as well as the expansion of factory outlets or retail distribution centres.

6.3 Product expansion

The company will expand its current product offering into other “building material products” such as cement bricks, cladding, cement tiles, lateral support products and aggregates.

6.4 BEE

Various BEE companies have been identified as empowerment partners that can contribute to the company's objectives. Once empowered the company will aggressively tender for new projects for which it could previously not tender, relying also on South Africa's expected economic growth in anticipation of the 2010 FIFA World Cup.

6.5 Industry opportunities

Brikor will continue to supply the current residential and commercial construction markets. It is however one of the business strategies to enter the lower end of the market with more appropriate products.

7. MAJOR SHAREHOLDERS

7.1 There are no shareholders, apart from the selling shareholders and their shareholders and the beneficiaries of their shareholders, which includes Garnett van Niekerk Parkin and his family who are, directly or indirectly, beneficially interested in 5% or more of the issued ordinary share capital of Brikor at the last practicable date. Refer to paragraph 5 in Annexure 1 for the directors' shareholdings.

7.2 No shareholder, other than the selling shareholders and their shareholders and the beneficiaries of their shareholders, which includes Garnett van Niekerk Parkin and his family will, as far as the directors of Brikor are aware, directly or indirectly, hold 5% or more of the issued share capital of Brikor following the private placement. The company will have a public shareholding of at least 100 shareholders who will hold a minimum of 10% of the ordinary shares on the day of listing. The controlling shareholder in Brikor, after the listing, will be Garnett van Niekerk Parkin.

7.3 There will be no change in the controlling shareholder as a result of the private placement.

7.4 There have been no changes in the controlling shareholder and trading objects of Brikor during the last five years.

8. DIRECTORS AND EXECUTIVE MANAGEMENT

Details of the directors and executive management, including the appointment, remuneration, borrowing powers of directors and directors' interests and declarations are set out in Annexure 1.

9. PURPOSE OF PLACEMENT AND LISTING ON ALTX

9.1 Subject to the achievement of the required spread of public shareholders, the JSE has formally approved the listing of 636 000 000 ordinary shares on ALTX with effect from commencement of business on Tuesday, 7 August 2007. 588 380 676 ordinary shares will be issued and listed on listing date and the balance of 47 619 324 ordinary shares will be issued as part of the group restructuring upon the registration of transfer of certain immovable properties into the name of Brikor, the listing of which will become effective upon the issue of such shares. The shares will trade under the abbreviated name “Brikor”, with the JSE code “BIK” and ISIN ZAE000101945.

9.2 Brikor has shareholders' funds in excess of R2 million in its reserves. The company will have a public shareholding of at least 100 shareholders who will hold a minimum of 10% of the issued ordinary shares on the day of listing.

9.3 An amount of R140 000 000, before share issue and listing expenses, will be raised by the company by the issue of 140 000 000 ordinary shares for cash and an amount of R100 000 000

will be realised by the selling shareholders from the sale of 100 000 000 ordinary shares to selected private individuals, corporations and institutions. The proceeds of the issue will be utilised to accelerate growth as set out in paragraph 9.4 below. The proceeds received in terms of the private placement will be applied firstly to the offer for subscription and thereafter to the offer for sale.

9.4 The directors of Brikor believe that the company has outgrown its private company status. In pursuing its intended vision and mission, the proposed private placement and the listing will allow the company to achieve the following:

- raise capital and to have the flexibility of listed shares in order to allow the company to take advantage of any acquisitive opportunities that may arise in the future that will complement the company's businesses thereby accelerating its growth;
- procure greater access to the capital markets;
- enhance investor and general public awareness of Brikor, its activities and specialised skills;
- attract and retain intellectual capital through the incentive of meaningful equity participation;
- broaden Brikor's shareholder base and to obtain the spread of at least 100 shareholders who are required to hold a minimum of 10% for the purpose of the listing of Brikor's ordinary shares on the JSE;
- afford members of the investing public, clients and business associates of Brikor the opportunity to participate directly in the income stream of the company, as well as in the future capital growth of its assets; and
- raise the company's profile leading to new business opportunities.

10. DETAILS OF THE PRIVATE PLACEMENT

10.1 Salient features

10.1.1 The salient features of the private placement are as follows:

– Offer price per ordinary share (cents)	100
– Par value per ordinary share (cents)	0.01
– Premium per ordinary share (cents)	99.99
– Number of ordinary shares offered by the company for subscription in terms of private placement	140 000 000
– Issue consideration to be received by the company before expenses	R140 million
– Number of ordinary shares offered for sale by the selling shareholders in terms of the private placement	100 000 000
– Total consideration to be received by the selling shareholders	R100 million

10.1.2 The opening and closing dates of the private placement are as follows:

– Opening date of the private placement (09:00)	Tuesday, 31 July 2007
– Closing date of private placement (12:00)	Tuesday, 31 July 2007
– Proposed listing date on ALTX (09:00)	Tuesday, 7 August 2007

10.1.3 Those private individuals, corporations and institutions who have been invited to apply should do so by completing the attached private placement application form in accordance with the provisions of this prospectus and the instructions contained in the private placement application form.

10.1.4 No offer will be made to the general public in terms of the private placement. The private placement will be made to selected applicants only.

10.1.5 The ordinary shares issued in terms of the private placement will rank *pari passu* with all other ordinary shares issued by Brikor.

10.2 Procedures for acceptance and subscription of shares in Brikor

- 10.2.1** Applications for the private placement must be made on the attached private placement application form provided to selected applicants. Each application will be regarded as a single application.
- 10.2.2** The rights granted to selected applicants in terms of the private placement may not be ceded, renounced or assigned in favour of anyone else by the applicant to whom it is addressed.
- 10.2.3** The private placement shares may not be applied for in the name of a minor, deceased estate or partnership. Executors, trustees and individual partners may apply for the private placement shares in their own name or through nominee companies. No documentary evidence of capacity need accompany the private placement application but the directors of Brikor reserve the right to call upon any applicant to furnish evidence of such capacity for noting.
- 10.2.4** The private placement applications are irrevocable once received by the Designated Adviser or the company.
- 10.2.5** No receipts will be issued for applications and/or payments received.
- 10.2.6** Applications must be for a minimum of 5 000 ordinary shares and in multiples of 1 000 ordinary shares thereafter.
- 10.2.7** Ordinary shares will only be traded in electronic form and accordingly all shareholders who elect to receive certificated shares will first have to dematerialise their share certificates should they wish to trade their shares. Applicants are advised that it takes between one and ten days to dematerialise their certificated shares depending on the volumes being processed by Strate at the time of dematerialisation.
- 10.2.8** Payment may only be made by bank guaranteed cheque (crossed “not transferable”), banker’s draft or electronic transfer (followed by fax or electronic proof of payment in the case of electronic transfers). Postal orders, cash or telegraphic transfers will not be accepted. Cheques must be made payable in favour of “**Brikor Limited Private Placement**”. All cheques and banker’s drafts will be deposited by the Designate Adviser immediately upon receipt in a designated account under the control of Brikor with a registered South African bank.
- 10.2.9** The private placement applications will only be regarded as complete once payment for the total amount of the application has been received. Should any cheque or banker’s draft subsequently be dishonoured, the directors of Brikor may, in their sole discretion, and without prejudice to any rights the company may have, regard the private placement application of such applicant as being revoked or take such steps in regards thereto as they deem fit.
- 10.2.10** “Blocked Rand” may be used by emigrants and non-residents of the common monetary area for payment in terms of the private placement. In this regard, reference should be made to paragraph 10.12 below that deals with Exchange Control Regulations.

10.3 Application for certificated shares – payment by bank guaranteed cheque or banker’s draft

Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of bank guaranteed cheque or banker’s draft must complete and return the private placement application, together with their payment in the form of a bank guaranteed cheque or banker’s draft (crossed “not transferable” and drawn in favour of (“**Brikor Limited Private Placement**”)) in an envelope marked “**Brikor Limited Private Placement**” to:

if delivered by hand or by courier

Designated Adviser
Exchange Sponsors (Pty) Limited
39 First Road
Hyde Park
Johannesburg
2196

if posted

Designated Adviser
Exchange Sponsors (Pty Limited
PO Box 411216
Craighall
2024

so as to be received by no later than 12:00 on Tuesday, 31 July 2007.

No late applications will be accepted.

10.4 Application for certificated shares – payment by electronic transfer

10.4.1 Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of **electronic transfer** may do so, in which case **the private placement application, and proof of such payment by electronic transfer must be hand delivered, posted or faxed to the Designated Adviser (and not the transfer secretaries) to:**

<i>if delivered by hand</i>	<i>if posted</i>	<i>if faxed</i>
Designated Adviser Exchange Sponsors (Pty) Limited 39 First Road Hyde Park Johannesburg 2196	Designated Adviser Exchange Sponsors (Pty) Limited PO Box 411216 Craighall 2024	Designated Adviser (011) 447 1929

so as to be received by no later than 12:00 on Tuesday, 31 July 2007.

10.4.2 Payment by electronic transfer must be made into the following bank account:

Bank:	First National Bank
Branch:	Gauteng East
Branch code:	252 142
Account name:	Brikor Limited Private Placement
Account number:	62 143 150 689
Account type:	Current

10.4.3 Brikor accepts no responsibility and will not be liable for the correctness of any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or Brikor, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

10.4.4 In respect of those applicants who elect to receive certificated shares, their share certificates will be posted, via registered post on our about Tuesday, 7 August 2007.

10.5 Disadvantages of holding shares in certificated form

10.5.1 The current risks associated with holding shares in certificated form, including the risk of loss or tainted scrip, remain.

10.5.2 When a shareholder wishes to transact on the JSE, he will be required to appoint a CSDP or broker to dematerialise the shares prior to the broker being able to transact in the shares, which dematerialisation can take up to 10 days. A certificated shareholder will have no recourse in the event of delays occasioned by the validation process or the acceptance or otherwise of its certificated shares by a CSDP.

10.6 Application for dematerialised shares – payment by electronic transfer or through broker

10.6.1 Applicants who elect to receive their allocated shares in dematerialised form and who wish to pay by way of electronic transfer may do so, in which case **the private placement application and the section on their CSDP or broker, and proof of such payment by electronic transfer must be hand delivered, posted or faxed to:**

<i>if delivered by hand</i>	<i>if posted</i>	<i>if faxed</i>
Designated Adviser Exchange Sponsors (Pty) Limited 39 First Road Hyde Park 2196	Designated Adviser Exchange Sponsors (Pty) Limited PO Box 411216 Craighall 2024	Designated Adviser (011) 447 1929

so as to be received by no later than 12:00 on Tuesday, 31 July 2007.

10.6.2 Payment by electronic transfer must be made into the following bank account:

Bank:	First National Bank
Branch:	Gauteng East
Branch code:	252 142
Account name:	Brikor Limited Private Placement
Account number:	62 143 150 689
Account type:	Current

10.6.3 Brikor accepts no responsibility and will not be liable for the correctness of any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or Brikor, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

10.6.4 Applicants, who wish to receive their allocated shares in dematerialised form, must complete and **return the private placement application to the Designated Adviser or their duly appointed CSDP or broker by the time and date stipulated in the agreement governing their relationship with their CSDP or broker**, together with the method of payment as stipulated in such agreement. If the applicant submits an application form, he must ensure that the relevant broker or CSDP has been informed of the application and the broker or CSDP must authenticate the relevant application form.

10.6.5 The brokers will collate all their respective private placement applications and forward the instruction to the brokers' nominated CSDP's.

10.6.6 The CSDP's will collate all the private placement applications from brokers and/or applicants and notify the transfer secretaries.

10.6.7 Brokers and CSDP's will be notified by the transfer secretaries on the second business day following the closing of the private placement of their allocation in respect thereof.

10.6.8 In respect of those applicants who elect to receive dematerialised shares, their duly appointed CSDP's or broker's account will be updated on or about Tuesday, 7 August 2007.

10.7 Reservation of rights

10.7.1 The directors of Brikor reserve the right to accept or refuse any application(s), either in whole or in part, or to pro-rate any or all application(s) (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine.

10.7.2 The directors of Brikor reserve the right to accept or reject, either in whole or in part, any applications should the terms and the instructions contained in this prospectus not be complied with.

10.8 Irrevocable undertakings

Brikor holds irrevocable undertakings from various selected investors to subscribe for and/or to purchase all 240 000 000 ordinary shares in terms of the private placement, amounting to 100% of the private placement shares.

10.9 No minimum subscription

The private placement is not subject to a minimum subscription being achieved. A minimum of 10% of the issued ordinary shares is however required to be subscribed for by at least 100 public shareholders to ensure the required spread in terms of the Listings Requirements. The proceeds received in terms of the private placement will first be applied to the offer for subscription and thereafter to the offer for sale.

10.10 Oversubscriptions

10.10.1 The private placement of 240 000 000 ordinary shares has been fully allocated to the investors who have given irrevocable undertakings as set out in paragraph 10.8 above.

10.10.2 In the event of a private placement application being accepted for a lesser number of shares than applied for or rejected, any surplus application monies received will be refunded by the company (where applicable) by a cheque drawn on First National Bank Limited. The refund will be made together with interest thereon calculated at the rate of 3.5% per annum from the date of receipt of such monies until day of posting, and shall be posted, by ordinary mail, or transferred electronically at the risk of the applicant concerned, on or about Wednesday, 8 August 2007 (or on clearance of the funds, if later).

10.11 Issue of private placement shares

10.11.1 All private placement shares forming part of the offer for subscription will be issued at the expense of Brikor and all private placement shares forming part of the offer for sale will be transferred at the expense of the selling shareholders.

10.11.2 All private placement shares to be issued are subject to the provisions of Brikor's memorandum and articles of association and will rank *pari passu* in all respects with the existing ordinary shares in issue. Annexure 1 contains extracts of Brikor's articles of association.

10.11.3 The ordinary shares will only be traded on the JSE in electronic form and as such, all shareholders will have to dematerialise their shares should they wish to trade them. Applicants are advised that it takes between one and 10 days to dematerialise certificated shares, depending on volumes being processed by Strate at the time of the dematerialisation.

10.11.4 The principal features of Strate are as follows:

- trades executed on the JSE must be settled within five business days;
- there will be penalties for late settlement;
- electronic record of ownership replaces share certificates and physical delivery of certificates; and
- all investors are required to appoint either a broker or CSDP to act on their behalf and to handle all settlement requirements.

10.12 Exchange Control Regulations

The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt hereto, please consult your professional adviser.

10.12.1 A former resident of the common monetary area who has emigrated from South Africa may use blocked Rand to subscribe for or to purchase shares in terms of this prospectus.

10.12.2 All payments in respect of ordinary shares applied for by non-residents using blocked Rand must be made through an authorised dealer in foreign exchange.

10.12.3 Share certificates issued in respect of certificated shares purchased or subscribed for using blocked Rand in terms of this prospectus will be endorsed "non-resident". Such share certificates will be placed under the control of the authorised dealer through whom the payment was made. Statements issued to non-resident dematerialised shareholders will be restrictively endorsed as "non-resident".

10.12.4 If applicable, refund monies payable in respect of an unsuccessful application, emanating from blocked Rand accounts will be returned to the authorised dealer administering such blocked Rand accounts for the credit of such unsuccessful applicant's blocked Rand account.

10.12.5 Applicants resident outside the common monetary area

10.12.5.1 A person who is not resident in the common monetary area should obtain advice as to whether any governmental, and/or legal consent is required and/or whether any other formality must be observed to enable an application to be made in terms of the private placement.

10.12.5.2 This prospectus is accordingly not an offer in any area or jurisdiction in which it is illegal to make such an offer. In such circumstances this prospectus and any application form are provided for information purposes only. All share certificates issued to non-residents of South Africa will be endorsed "non-resident" in terms of the Exchange Control Regulations. Statements issued to dematerialised shareholders will be restrictively endorsed as "non-resident".

11. MATERIAL CHANGES

The directors report that there have been no material changes in the financial or trading position of the company during the past five years, save in terms of the group restructuring as set out in paragraph 28 below.

12. PROFIT HISTORY, FORECASTS, UNAUDITED *PRO FORMA* FINANCIAL INFORMATION AND DIVIDEND POLICY

12.1 The *pro forma* historical financial income statement for the period ended 28 February 2007, profit forecasts for the years ending 29 February 2008 and 28 February 2009

12.1.1 The audited historical financial information of Brikor, the preparation of which is the responsibility of the directors, is presented in Annexure 2. Annexure 5 contains the independent reporting accountants' report on the historical financial information of Brikor. The *pro forma* historical financial information is extracted from the *pro forma* financial information after the consolidation column as set out in Annexure 5.

12.1.2 The profit forecasts of Brikor for the years ending 29 February 2008 and 28 February 2009, the preparation of which is the responsibility of the directors, are set out below. The accounting policies applied in arriving at forecast income are consistent in all respects with IFRS and with those accounting policies applied in the historic information presented. The forecasts should be read in conjunction with the independent reporting accountants' report thereon as set out in Annexure 4.

	<i>Pro forma</i> 28 February 2007⁽²⁾ R'000	Forecast 29 February 2008 R'000	Forecast 28 February 2009 R'000
Revenue	305 531	421 600	512 155
Gross profit	106 943	134 363	164 066
Other income	733	–	–
Operating costs	(29 703)	(34 993)	(43 231)
EBITDA	77 973	99 370	120 835
Depreciation	(13 779)	(13 747)	(16 974)
Profit before interest and taxation	64 194	85 623	103 861
Loss on disposal of non-current assets	(132)	–	–
Net interest (paid)/received	(3 094)	6 290	10 441
Profit before taxation	60 968	91 913	114 302
Taxation	(18 900)	(26 632)	(33 121)
Earnings attributable to ordinary shareholders	42 068	65 281	81 181
Reconciliation of headline earnings:			
Profit attributable to ordinary shareholders	42 068	65 281	81 181
Loss on disposal of non-current assets	94	–	–
Headline earnings attributable to ordinary shareholders	42 162	65 281	81 181
<i>Pro forma</i> weighted average shares in issue on which earnings are based ^(1 and 3)	489 000 000	577 602 740	636 000 000
<i>Pro forma</i> earnings per share (cents)	8.6	11.3	12.8
<i>Pro forma</i> headline earnings per share (cents)	8.6	11.3	12.8

Notes:

- (1) *Pro forma* calculation for the weighted average shares in issue for 28 February 2007 is based on the restructure of the issued share capital as set out in paragraph 24.3 below.
- (2) The historical *pro forma* financial information for 28 February 2007 is an extract from the unaudited *pro forma* financial information after the consolidation column as set out in Annexure 5.
- (3) The actual number of shares in issue, earnings per share and headline earnings per share calculations are set out in Annexure 2.

12.1.3 Main assumptions on the forecast financial information

- (1) Forecast revenue is based on the actual performance of the company, existing orders in the sales pipeline and is in line with the historical performance of the company. The forecast revenue include the revenue that will be generated by the new roof tile plant and paver plant on a conservative basis.
- (2) All expenses will increase in line with inflation and additional overheads will be incurred as a result of the increase in the capacity of the company.
- (3) Calculations relating to the weighted average number of shares in issue are based on the issued shares after the private placement. This allows for the calculation of fully diluted earnings per share numbers.
- (4) Interest expenditure has been adjusted to account for the estimated interest saving as a result of the private placement as it has been assumed that funds received will be utilised to repay certain debt.

12.1.4 Comments on the forecast financial information

12.1.4.1 The forecast financial information is based on the assumption that circumstances which affect the company's business but which are outside the control of the directors, will not materially alter in such a way as to affect the trading of the company. More specifically:

- trading conditions are not expected to be materially different in each of the forecast periods;
- costs will increase in line with the expected rate of inflation;
- interest rates and the basis and rates of taxation, both direct and indirect, will not change materially.

12.1.4.2 In addition, the forecast financial information is based on the assumptions that:

- there will be continuity in existing management and trading policies;
- there will be no change in the present accounting policies;
- the impact of any improved, revised or new standards, interpretations and amendments in terms of IFRS that have been issued but are not yet effective and have not yet been adopted by the company, will have no material effect on the forecast financial information. Such statements are detailed in Annexure 2;
- the offering in terms of this prospectus will be fully subscribed enabling the company to settle significant debt levels as reflected in the *pro forma* financial information presented in Annexure 5.

12.1.4.3 In the opinion of the directors, the above assumptions are significant to the forecasts as being key factors upon which the financial results of the company will depend. However certain assumptions may not materialise and/or certain unforeseen events may occur or circumstances may arise subsequent to the forecasts being made. Accordingly, the results achieved for the periods referred to above may differ from those forecast and the variations may be material.

12.2 Unaudited *pro forma* income statement and balance sheet

Details of the unaudited *pro forma* income statement and balance sheet are set out in Annexure 5. The unaudited *pro forma* income statement and balance sheet should be read in conjunction with the independent reporting accountants' report thereon as set out in Annexure 6. The directors of Brikor are responsible for the preparation of the unaudited *pro forma* financial information of Brikor.

12.3 Dividends

12.3.1 It is the intention of the company to reconsider its dividend policy once the company has achieved mature growth and periodically thereafter to take account of prevailing circumstances and future cash requirements. Initially all earnings generated by the company will be utilised to fund future growth and development.

12.3.2 Any dividends not claimed for a period of not less than three years from the date on which such dividends became payable may be forfeited for the benefit of the company.

12.3.3 There is no arrangement under which future dividends will be waived or have been waived.

13. AMOUNTS PAID OR PAYABLE TO PROMOTERS AND PROMOTER'S INTEREST

13.1 No payments have been made to the promoters of the company since the company's incorporation and no payments are proposed to be made to the promoters of the company.

13.2 The company has not entered into any promoter's agreements during the three years preceding this prospectus.

14. BROKERAGES AND COMMISSIONS

14.1 Since incorporation, no commission has been paid or is payable by the company in respect of underwriting.

14.2 No commissions, discounts, brokerages or other special terms have been granted during the three years preceding the date of this prospectus in connection with the issue or sale of any securities, other than disclosed in paragraphs 15.3 and 24.3.2.6, stock or debentures in the capital of the company.

15. PRELIMINARY EXPENSES AND ISSUE EXPENSES

15.1 The estimated total amount of preliminary expenses incurred in terms of the private placement and the listing within the three years preceding the date of this prospectus, exclusive of VAT, are as follows:

Function and advisers	R'000
Printing, publication, distribution and advertising expenses	350
JSE documentation fees	49
JSE listing fees	18
Transfer secretaries – Computershare Investor Services (Pty) Limited	20
Designated Adviser – Exchange Sponsors (Pty) Limited	450
Designated Adviser – Exchange Sponsors (Pty) Limited fund raising fee detailed in paragraph 15.3 below	7 000
Reporting accountants and auditors – RSM Betty & Dickson (Tshwane)	300
Previous auditors of Brikor – Fred Ellis	300
Attorneys – Fluxmans Inc.	450
Contingency	63
Estimated total	9 000

15.2 The abovementioned estimated expenses, which will not exceed the share premium, will be written-off against the share premium account to the extent permissible by the Act.

15.3 The company has issued 7 000 000 ordinary shares, as detailed in paragraph 24.3.2.6 below, to the Designated Adviser in settlement of the fund raising fees payable by Brikor to the Designated Adviser. The Designated Adviser's interests are disclosed in paragraph 31 below.

15.4 The selling shareholders will be liable to pay expenses to Exchange Sponsors (Pty) Limited relating to the offer for sale and stamp duty on the transfer of ordinary shares comprising the offer for sale.

16. LOANS PAYABLE AND BORROWING POWERS

16.1 Summary of the loans, both secured and unsecured, due by the company at 28 February 2007, as set out in Annexure 2, note 24:

Lender	Loan amount R'000	Interest rate	Secured	Reason for loan	Maturity and repayment terms
Imperial Bank and Rand Merchant Bank Limited	4 048	11.7%	Land and buildings	Mortgage bonds	2010
Standard Bank Limited and Imperial Bank	5 252	Prime less 1%	Plant and equipment and motor vehicles	Instalment sale agreements	2009 – 2012 monthly
PME and Brikor Vitro	103 026	n/a	Unsecured	Implementation of Restructure Agreements as detailed in paragraph 28	Discharged by the way of the issue of Brikor ordinary shares on 17 July 2007 and with the transfer of immovable properties in terms of group restructuring within 12 months
	112 326				
Less: Current portion included in short-term borrowings	106 731				
	5 595				

16.2 The borrowing powers of Brikor have not been exceeded during the three years preceding the date of this prospectus.

16.3 The borrowing powers of the directors are set out in paragraph 7 of Annexure 1 to this prospectus.

16.4 No loan capital or debentures are outstanding.

16.5 Save for the indebtedness in terms of the Restructure Agreements which will be discharged by the issue of Brikor ordinary shares, all the borrowings listed above have no conversion or redemption rights.

16.6 The repayment of the short-term portion of the borrowings will be financed from operating cash flow.

17. CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

17.1 The company had no material capital commitments and contingent liabilities at 28 February 2007. The lease payments are set out in paragraph 22.2 below. There have been no material changes to the contingent liabilities of the company between 28 February 2007 and the last practicable date.

17.2 The following is an analysis of the company's material commitments since 28 February 2007 and the last practicable date:

Plant and equipment	R'000	Capital payable
Roof Tile Plant	11 557	R13 million payable over 48 months at 11,3% (finance only after commissioning in July 2007)
Paver Plant	5 126	R5 million payable over 48 months at 11,3% (finance only after commissioning in July 2007)
16 683		

17.3 The repayment of the short-term portion of the borrowings of the capital commitments will be financed from operating cash flow.

17.4 The borrowing arose from the purchase of plant and equipment.

18. LOANS RECEIVABLE

18.1 No material loans have been made by Brikor at the date of this prospectus.

18.2 No loans have been made or security furnished by Brikor or by any of its subsidiaries to or for the benefit of any director or manager or any associate of any director or manager of Brikor.

19. PROPERTY AND SUBSIDIARIES ACQUIRED AND TO BE ACQUIRED

19.1 With effect from 28 February 2007, Brikor acquired the businesses conducted by PME and Brikor Vitro together with the immovable properties from which such businesses are conducted as going concerns and the immovable properties owned by Marievale Bamford and Garnett van Niekerk Parkin from the selling shareholders as part of the group restructuring in terms of the Restructure Agreements.

19.2 Details of the immovable properties acquired by Brikor as part of the group restructuring are set out in paragraph 22.1 below. These immovable properties will be transferred into Brikor's name following the listing. Annexure 7 contains detailed information of the vendors from whom the businesses conducted by PME and Brikor Vitro and the immovable properties referred to in paragraph 22.1 below were acquired, being the selling shareholders.

19.3 Brikor has no subsidiaries and has not made any material acquisitions within the last three years and does not intend to acquire any material subsidiaries or property following the listing, save for as disclosed in the Restructure Agreements and as set out in the *pro forma* financial information in Annexure 5.

20. SHARES ISSUED, OTHER THAN FOR CASH

Save in terms of the Restructure Agreements and as detailed in paragraph 24.3.2.6 below, no shares were issued or agreed to be issued by Brikor during the past three years, other than for cash.

21. PROPERTY AND SUBSIDIARIES DISPOSED OR TO BE DISPOSED OF

21.1 No material property, or subsidiaries have been disposed by Brikor within the last three years preceding the date of this prospectus.

21.2 It is not intended that any material property or subsidiaries be disposed of following the listing.

22. PRINCIPAL IMMOVABLE PROPERTY OWNED AND LEASED

22.1 Details of the properties which will be owned by Brikor, pursuant the implementation of the group restructuring are disclosed below. These properties are in the process of being transferred to Brikor in terms of the Restructure Agreements.

Details	Carrying value R'000	Borrowings R'000	Valuation R'000	Location	Hectares
Remaining Extent of Portion 5 of the farm Vanderbijlpark 550, Registration Division I.Q. Gauteng	21 600	–	21 600	Vitro Plant, 44 Old Potch Road Vanderbijlpark	41.7009
Portion 107 (a portion of portion 6) of the farm Houtkop 594 Registration Division I.Q., Gauteng	2 260	–	2 260	Vitro Plant, 44 Old Potch Road Vanderbijlpark	23.164
Portion 7 of the Farm Draaikraal 166, Registration Division I.R. Gauteng	10 975	–	10 975	Plant 1, Marievale Road Vorsterskroon, Nigel	236.0892
Portion 31 (portion of portion 22) of farm Witfontein No. 510, Registration Division J.R. Gauteng	5 280	–	5 280	Rayton	21.4149
Erven 390, 391 and 392 Clayville Ext 3 Township, Registration Division J.R., Gauteng	1 206	–	1 206	Bamford Plant Premier Road	1 684 m ²
Portion 2 Erf 1250 Clayville Ext 14 Township Registration Division J.R. Gauteng	4 145	2 963	4 145	Vacant land	8.2689

Details	Carrying value R'000	Borrowings R'000	Valuation R'000	Location	Hectares
Portion 31 (a Portion of Portion 2) of the farm Schietpoort 507 Registration Division J.R. Gauteng	1 023	–	1 023	Zithobeni Plant	
Portion 35 of Erf 127 Vorsterskroon Extension 3 Township Registration Division I.R., Gauteng	740	–	740	43 Industria Road Vorsterskroon, Nigel	1 800 m ²
Portion 26 (portion of portion 15) of Erf 1250 Clayville Ext 14 Township and portion 5 of Erf 1250 Clayville Ext 14 Township Registration Division J.R. Gauteng	21 050	1 085	21 050	Bamford Plant Premier Road Olifantsfontein Midrand	6.7824
Portion 27 of the Farm Varkensfontein No. 169 Registration Division I.R. Gauteng	390	–	390	Vacant land	119.905
	68 669	4 048	68 669		

22.2 No goodwill has been paid for the acquisition of immovable properties as the assets and not the shares were acquired.

22.3 Save for the consideration payable for the land acquired from Marievale Bamford in terms of the Marievale Bamford Sale Agreement which will be discharged by set-off against Marievale Bamford's indebtedness to Brikor the consideration payable for the acquisition of the immovable properties will be discharged by way of the issue of Brikor ordinary shares as detailed in paragraph 16.5 above and paragraph 28 below.

22.4 Brikor leases no properties.

23. SUBSIDIARIES

Brikor has no subsidiaries.

24. SHARE CAPITAL

24.1 Authorised and issued share capital

The authorised and issued share capital of Brikor, taking into account the private placement and listing costs as set out in paragraph 15.1 above, which are to be set-off against the share premium, are set out below:

Authorised

1 000 000 000 ordinary shares of 0.01 cent each	100 000
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Issued, prior to the implementation of the private placement

448 380 676 ordinary shares of 0.01 cent each	44 838
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Share premium	55 400 791
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Issued, after the private placement on listing

588 380 676 ordinary shares of 0.01 cent each	58 838
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Share premium	193 386 791
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Issued, after the private placement and the payment in full in terms of the Restructure Agreements

636 000 000 ordinary shares of 0.01 cent each	63 600
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Share premium	241 001 353
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24.1.1 All of the authorised and issued shares are of the same class and rank *pari passu* in every respect.

24.1.2 Save as set out in paragraph 24.2 below, there have been no alterations to the authorised share capital of the company during the three years preceding the date of this prospectus.

24.1.3 No offer has been made by Brikor of its subsidiary for the subscription or sale of shares during the three-year period preceding the date of issue of this prospectus.

24.1.4 Neither Brikor nor any of its subsidiaries have repurchased any Brikor shares at the date of issue of this prospectus.

24.2 Alterations to authorised share capital

24.2.1 Brikor was incorporated with an authorised ordinary share capital of R1 000, divided into 1 000 ordinary shares having a par value of R1.00 each.

24.2.2 The company passed special resolutions on 10 April 2007 to:

24.2.2.1 sub-divide its authorised share capital of 1 000 ordinary shares of R1.00 each into 10 000 000 ordinary shares of 0.01 cent each;

24.2.2.2 increase its authorised share capital from R1 000 to R100 000 by the creation of 990 000 000 ordinary shares of 0.01 cent each.

24.2.3 Brikor has a total authorised share capital of R100 000, comprising 1 000 000 000 ordinary shares of 0.01 cent each.

24.2.4 The special resolutions passed to alter the authorised share capital as set out in paragraph 24.2.2 above were registered by the Registrar of Companies on 18 May 2007.

24.3 Issue of shares

24.3.1 Subsequent to its incorporation, Brikor issued and allotted 10 ordinary par value shares of R1.00 each.

24.3.2 The company:

24.3.2.1 passed a special resolution to sub-divide its issued share capital of 10 ordinary shares of R1.00 each into 100 000 ordinary shares of 0.01 cent each on 10 April 2007, which special resolution was registered by the Registrar of Companies on 18 May 2007;

24.3.2.2 issued 385 874 344 ordinary shares of 0.01 cent each at par and for cash on 18 July 2007 to Garnett van Niekerk Parkin, the existing shareholder of Brikor and a director, whose shareholding is disclosed in paragraph 5.1 of Annexure 1;

- 24.3.2.3 issued 54 780 558 ordinary shares of 0.01 cent each on 18 July 2007 at an issue price of 100 cents per ordinary share, being the par value plus a premium of 99.99 cents per ordinary share in terms of the PME Sale of Business Agreement detailed in paragraph 28.2 below as part of the group restructuring;
- 24.3.2.4 issued 625 774 ordinary shares of 0.01 cent each on 18 July 2007 at an issue price of 100 cents per ordinary share, being the par value plus a premium of 99.99 cents per ordinary share in terms of the Brikor Vitro Sale of Business Agreement detailed in paragraph 28.3 below as part of the group restructuring;
- 24.3.2.5 issued 7 000 000 ordinary shares of 0.01 cent each on 18 July 2007 at an issue price of 100 cents per ordinary share, being the par value plus a premium of 99.99 cents per ordinary share and the private placement price, to the Designated Adviser, in settlement of the fund raising fees payable by Brikor to the Designated Adviser as detailed in paragraph 15.1 above. The Designated Advisers' interests following this issue are disclosed in paragraph 31 below;
- 24.3.2.6 will issue 23 369 324 ordinary shares of 0.01 cent each at an issue price of 100 cents being the par value plus a premium of 99.99 cents per ordinary share in terms of the PME Sale of Business Agreement detailed in paragraph 28 below, simultaneously with the transfer of the immovable properties forming part of the subject matter of the PME Sale of Business Agreement as part of the group restructuring;
- 24.3.2.7 will issue 23 860 000 ordinary shares of 0.01 cent each at an issue price of 100 cents being the par value plus a premium of 99.99 cents per ordinary share in terms of the Brikor Vitro Sale of Business Agreement detailed in paragraph 28 below, simultaneously with the transfer of the immovable properties forming part of the subject matter of the Brikor Vitro Sale of Business Agreement as part of the group restructuring;
- 24.3.2.8 will issue 390 000 ordinary shares of 0.01 cent each at an issue price of 100 cents per ordinary share, being the par value plus a premium of 99.99 cents per ordinary share to Garnett van Niekerk Parkin in terms of the Varkensfontein Sale Agreement on transfer of such property to Brikor as detailed in paragraph 28.1 below as part of the group restructuring.

24.3.3 At the date of issue of this prospectus, before the private placement, Brikor had a total issued share capital (including share premium) of R51 445 629.

24.4 The ordinary resolutions necessary to approve the above issues of shares were passed at the time of the issues. In terms of an ordinary resolution passed by a 75% majority of the shareholders on 10 April 2007, the directors have the power to allot and issue ordinary shares of the company for cash, subject to the following conditions:

- compliance with the provisions of the Act, the Listings Requirements and the Memorandum and Articles of Association of Brikor;
- that the securities be of a class already in issue;
- that securities be issued to public shareholders and not to related parties;
- that an announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of securities in issue prior to the issue/s;
- that issues in the aggregate in any one financial year shall not exceed 50% of the company's issued share capital of that class;
- that, in determining the price at which an issue of securities will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of those securities over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors; and
- that the approval will be valid until the next annual general meeting or for 15 months from the date of the resolution, whichever period is the shorter.

24.5 Unissued shares

In terms of a resolution passed at a general meeting of Brikor on 10 April 2007, the 364 000 000 authorised but unissued ordinary shares of the company, after the private placement, will be under the control of the directors of Brikor until its first annual general meeting, subject to the provisions of sections 221 and 222 of the Act and the Listings Requirements.

24.6 Voting and variation of rights

The Articles of Association of the company provide that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by any person, the chairperson or by the members referred to in section 198(1)(b) of the Act. Any variation in rights attaching to shares will require the consent of the shareholders in general meeting in accordance with the company's articles of association.

24.7 No other listings

The issued ordinary shares of Brikor will be listed on ALTX. No other shares of Brikor are listed on any stock exchange.

25. ADEQUACY OF WORKING CAPITAL

25.1 The directors of the group are of the opinion that the working capital available to the group, prior to the private placement, is adequate for the present requirements of the group, i.e. for a period of 12 months from the date of issue of this prospectus and that:

25.1.1 the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of this prospectus;

25.1.2 the assets of the group will be in excess of the liabilities of the group for a period of 12 months after the date of this prospectus. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements;

25.1.3 the share capital and reserves of the group will be adequate for ordinary business purposes for a period of 12 months after the date of this prospectus;

25.1.4 the working capital of the group will be adequate for ordinary business purposes for a period of 12 months after the date of this prospectus.

26. OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES

Save in terms of the share incentive scheme, referred to in paragraph 27 below, the salient features of which are set out in Annexure 9, there are no contracts or arrangements, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the company.

27. SHARE INCENTIVE SCHEME

27.1 The directors of the company have established a share incentive scheme for the benefit of directors and employees of the group. The salient features of the share incentive scheme are set out in Annexure 9.

27.2 No shares have been issued under the share incentive scheme at the date of issue of this prospectus.

28. MATERIAL CONTRACTS

- 28.1** Brikor acquired immovable property referred to in paragraph 22.1 above from the Garnett van Niekerk Parkin in terms of the Varkensfontein Sale Agreement for a consideration of R390 000 which consideration will be discharged by Brikor upon the registration of transfer of the property referred to in paragraph 22.1 above into the name of Brikor by the issue and allotment of 390 000 ordinary shares, credited as fully paid, at an issue price equal to the par value of such ordinary shares plus an aggregate premium of R389 961. The property is in the process of being transferred to Brikor.
- 28.2** Brikor acquired the business of PME, including the immovable properties referred to in paragraph 22.1 above as a going concern, from PME with effect from 28 February 2007 in terms of the PME Sale of Business Agreement for an aggregate consideration equal to R81 459 270 plus the amount of the assumed liabilities in the sum of R3 309 388. The aforesaid consideration is to be discharged by Brikor, as follows:
- 28.2.1** as to the sum of R3 309 388, such amount has been discharged by way of set-off against the claim which Brikor had against PME in such amount by operation of law (the liability in respect of such claim having been assumed by and delegated to PME by Marievale Bamford);
- 28.2.2** as to the further sum of R54 780 558, such sum has been discharged by Brikor by way of the issue and allotment of 54 780 558 ordinary shares, credited as fully paid at an issue price equal to the par value of such shares plus an aggregated premium of R54 775 079.94, as detailed in paragraph 24.3.2.3 above; and
- 28.2.3** as to the further sum of R23 369 324, such sum will be discharged by Brikor by way of the issue and allotment of 23 369 324 ordinary shares credited as fully paid at an issue price equal to the par value of such shares plus an aggregate premium of R23 857 614, as detailed in paragraph 24.3.2.7 above, against the registration of transfer of the properties referred to in paragraph 22.1 above. The properties are in the process of being transferred to Brikor.
- 28.3** Brikor acquired the business of Brikor Vitro, including the immovable properties referred to in paragraph 22.1 above, as a going concern, from Brikor Vitro, with effect from 28 February 2007 in terms of the Brikor Vitro Sale of Business Agreement for an aggregate consideration equal to R83 059 685. The aforesaid consideration is to be discharged by Brikor, as follows:
- 28.3.1** as to the sum of R58 573 911, such amount has been discharged by way of set-off against the claim which Brikor had against Brikor Vitro in such amount by operation of law (the liability in respect of such claim having been assumed by and delegated to Brikor Vitro by Marievale Bamford, the Elgar Trust, Data Haul (Pty) Limited, ACC Fortuna (Pty) Limited, Largo Trust, Steynol (Pty) Limited, Brikor Engineering (Pty) Limited, Zenzisa 65 (Pty) Limited, Dunrose Investments (Pty) Limited, Brickor Building Centre (Pty) Limited and E-Fuel (Pty) Limited);
- 28.3.2** as to the further sum of R625 774, such sum has been discharged by Brikor by way of the issue and allotment of 625 774 ordinary shares, credited as fully paid at an issue price equal to the par value of such shares plus an aggregated premium of R625 711.42, as detailed in paragraph 24.3.2.4 above; and
- 28.3.3** as to the further sum of R23 860 000, such sum will be discharged by Brikor by way of the issue and allotment of 23 860 000 ordinary shares credited as fully paid at an issue price equal to the par value of such shares plus an aggregate premium of R23 857 614, as detailed in paragraph 24.3.2.8 above, against the registration of transfer of the properties referred to in paragraph 22.1 above. The properties are in the process of being transferred to Brikor.

- 28.4** Brikor acquired the immovable property of referred to in paragraph 22.1 above from Marievale Bamford in terms of the Marievale Bamford Sale Agreement for a consideration of R3 850 000, which consideration will be discharged by Brikor upon the registration of transfer of the aforesaid property by way of set off against the claim which Brikor has against Marievale Bamford in such amount by operation of law. The property is in the process of being transferred to Brikor.
- 28.5** Save for the Restructure Agreements referred to in paragraphs 28.1, 28.2, 28.3 and 28.4 above and save for the service agreements with directors setting out their remuneration referred to in Annexure 1, there are no material contracts which have been entered into by the company during the three years preceding the date of this prospectus, other than in the ordinary course of business conducted by the company.
- 28.6** There are no material contracts which have been entered into by the company at any time, which contain an obligation or settlement that is material to the company, other than in the ordinary course of business.
- 28.7** The company is not subject to any management or royalty agreements. The company has not paid any material technical or secretarial fees during the three years preceding the issue of this prospectus.
- 28.8** The company has not entered into any promoters' agreements during the three years preceding the date of this prospectus.

29. MATERIAL INTER-COMPANY TRANSACTIONS

There are no material inter-company balances in Brikor, save as disclosed in the *pro forma* income statement in Annexure 5, which arose prior to the group restructuring.

30. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any such proceedings that are pending or threatened, of which Brikor is aware that may have, or have had during the 12 months preceding the date of this prospectus a material effect on the financial position of the company.

31. ADVISERS' INTERESTS

- 31.1** Save as disclosed in paragraph 31.2 hereunder, none of the advisers, whose particulars are set out in the "Corporate information" section, hold any shares in the company or have agreed to acquire any shares in the company at the date of this prospectus.
- 31.2** The following directors and employees of the Designated Adviser have an interest in the ordinary shares in Brikor:

Name and capacity	Number of shares	Percentage holding in Brikor	Name of beneficial owner
Marius Meyer – Director	1 225 000	0.2	Buccoli Beleggings CC (Registration number 1995/010698/23)
Marius Meyer – Director	1 225 000	0.2	Magika Investments (Pty) Limited (Registration number 1997/019193/07)
Wessel Petrus van der Merwe – Director	2 450 000	0.4	SA Madiba Investments (Pty) Limited (Registration number 1998/015202/07)
Esna Colyn – Employee	2 100 000	0.3	Esna Colyn
Mareo Bekker – Employee	100 000	–	Malibe Trust (Masters reference IT6384/96)

Name and capacity	Number of shares	Percentage holding in Brikor	Name of beneficial owner
Van Zyl Swanepoel – Employee	50 000	–	Van Zyl Swanepoel
Rita Sorour – Employee	250 000	–	Rita Sorour
Martha van der Westhuizen – Employee	10 000	–	Martha van der Westhuizen
Chrisna Chalmers – Employee	20 000	–	Chrisna Chalmers
Keeley Ermann – Employee	60 000	–	Keeley Ermann
Dominique Delpont – Employee	15 000	–	Dominique Delpont

31.3 Fifty percent of the ordinary shares in the table above will be held in trust by the attorneys as set out in paragraph 5.1.3 of Annexure 1.

32. CONSENTS

Each of the company's advisers, commercial banker, RSM Betty & Dickson (Tshwane), and the transfer secretaries have consented in writing to act in the capacities stated and to their names appearing in this prospectus and have not withdrawn their consent prior to the registration of this prospectus.

33. CORPORATE GOVERNANCE

The company's Corporate Governance policy is set out in Annexure 8.

34. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out in Annexure 1, and the selling shareholders, collectively and individually, accept full responsibility for the accuracy of the information given and 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 and that they have made all reasonable enquiries to ascertain such facts and that this prospectus contains all information required by law and the Listings Requirements.

35. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents which have been submitted to the Registrar of Companies will be available for inspection at the registered office of the company and at Exchange Sponsors (Pty) Limited's office, 39 First Road, Hyde Park, 2196, at any time during normal business hours from 08:30 to 17:00 for a period of 21 days from the date of this prospectus:

- the Memorandum and Articles of Association of the company;
- the signed reports by the independent reporting accountants, the texts of which are set out in Annexures 3, 4 and 6;
- the written consents of the company's advisers and transfer secretaries to act in those capacities, which consents have not been withdrawn prior to registration;
- the company's share incentive scheme;
- the directors' service agreements and restraint undertakings;
- the audited annual financial statements of Brikor for the three financial years ended 28 February 2007;
- the irrevocable undertakings referred to in paragraph 10.8 above;
- the report of the property valuations as referred to in paragraph 22.1 above;
- copies of the Restructure Agreements referred to in paragraph 28.1, 28.2, 28.3 and 28.4 above; and
- a signed copy of this prospectus.

36. PARAGRAPHS OF SCHEDULE 3 TO THE ACT WHICH ARE NOT APPLICABLE

The numbers of the paragraphs in Schedule 3 to the Act, which are not applicable, are:

1(b), 2(d), 6(d), 6(e)(ii), 6(g), 6(h), 8(b), 8(c), 8(d), 9(b), 10, 11, 13, 14, 17(c), 18(b), 20(b), 21, 24, 26, 27, 28, 30 and 31.

Signed at Johannesburg by Garnett van Niekerk Parkin on 18 July 2007 on his own behalf as director and as a selling shareholder and on behalf of all the other directors of the company and the selling shareholders, he being duly authorised in terms of powers of attorney granted to him by such other directors and resolutions passed by such other selling shareholders.

SGD

Garnett van Niekerk Parkin

In his capacity as a director and a selling shareholder

SGD

For: Hanleu Botha, a director, herein represented by Garnett van Niekerk Parkin under and in terms of a power of attorney executed on 29 June 2007

SGD

For: Khalamazu Elias Mathebula, a director, herein represented by Garnett van Niekerk Parkin under and in terms of a power of attorney executed on 29 June 2007

SGD

For: Garnett Parkin, an alternate director, herein represented by Garnett van Niekerk Parkin under and in terms of a power of attorney executed on 29 June 2007

SGD

For: Ethan Gilbert Dube, a director, herein represented by Garnett van Niekerk Parkin under and in terms of a power of attorney executed on 17 July 2007

SGD

For: Parkin Mine Enterprises (Pty) Limited, a selling shareholder, herein represented by Garnett van Niekerk Parkin duly authorised under and in terms of a resolution passed by the directors of Parkin Mine Enterprises (Pty) Limited on 17 July 2007

SGD

For: Brikor Vitro (Pty) Limited, a selling shareholder, herein represented by Garnett van Niekerk Parkin duly authorised under and in terms of a resolution passed by the directors of Brikor Vitro (Pty) Limited on 17 July 2007

DIRECTORS, EXECUTIVE MANAGEMENT, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS OF DIRECTORS

1. FULL NAMES, AGES, FUNCTIONS AND BUSINESS ADDRESSES OF THE BOARD OF DIRECTORS OF BRIKOR

Director	Age	Function	Business address
Brikor			
Garnett van Niekerk Parkin	46	Managing Director and Chairperson	1 Premier Road Olifantsfontein, Midrand 1685
Hanleu Botha	48	Financial Director	Marievale Road Vorsterkroon, Nigel, 1491
Khalamazu Elias Mathebula ("Elias")	56	Human Resources Director	Marievale Road Vorsterkroon, Nigel, 1491
Garnett Parkin (Junior)	24	Alternate Director	Marievale Road Vorsterkroon, Nigel, 1491
Ethan Gilbert Dube*	47	Non-executive Director	Vunani House, Freestone Park, 135 Patricia Road Sandown, Sandton, 2196

* Non-executive.

All directors are South African citizens.

2. EXPERIENCE OF DIRECTORS AND SENIOR MANAGEMENT

2.1 Garnett van Niekerk Parkin (Managing Director and Chairperson) (46)

Garnett matriculated in 1977 at Hugenote Hoërskool and joined his father in the family business during which time he also obtained qualifications in Heavy Clay Engineering Works and Ceramic Technology. During 1994 Garnett assisted his father in building a brick factory at Marievale Brickworks for the manufacture of semi-face bricks. Initially they produced 15 million bricks per year. Garnett Parkin senior passed away in 1996 and Garnett Parkin acquired 100% of the shareholding of Marievale Brickworks and PME.

Demonstrating his exceptional business skills he, in November 2001, consolidated the brick manufacturing and sales operations into Brikor which developed into one of the largest clay brick producers in the southern hemisphere. The various factories and clay quarries throughout Gauteng produce, sell and distribute more than 270 million bricks per year.

Garnett Parkin has the insight to identify opportunities and quickly implement strategies, he is a visionary in his own right and he constantly measures himself, his business operations and the Brikor products and employees against equally high standards of excellence.

2.2 Hanleu Botha (Financial Director) (48)

Hanleu matriculated in 1975 after which she studied Development Administration at RAU. She grew up in the family's Architect business and started her career with 8 years experience as bookkeeper for companies like Gallion Dresser, Ford Motor Corporation and Van Rensburg, Schoon & Cronje, responsible for the full ledger function up to trial balance. She completed Financial Management, Excel Advance user and various other development courses. Growing up with a passion for the building industry, she accepted a position as accountant at Corobrik where she was responsible for budgets, management accounts, factory administration control and customer services for eight years.

In 1996 she joined Inter-Province Transport as the Financial Manager until she accepted the position as Financial Manager at Brikor in 1999. Hanleu has been instrumental in the implementation of accounting software, IT systems, structures, administrative policies and procedures. She has established herself as a leader and has an in depth knowledge of the industry and all levels of operations in the company. In 2005 Hanleu became the Financial Director and with over 27 years' experience in the business world, she assisted significantly in Brikor's growth.

2.3 Elias Mathebula (Human Resources Director) Diploma in Personnel and Training (56)

Elias started his career in the brick making industry at Brickor (later Corobrick) in 1971 as Kiln Operator. He moved on to the position of Training Officer, Recruiting and Safety Officer and then as Hostel Manager. He achieved a Diploma in Personnel and Training and completed various Supervisory and Industrial Relations courses. He also obtained a Training-the-Trainer Certificate from the National Productivity Institute. In 1982 he joined the National Union of Brick and Allied workers as the General Secretary, a position that kept him close to the brick industry and its people. In 1992 he formally returned to the brick industry with his appointment as Human Resources and Industrial Relations Manager at Ocon Bricks.

In April 2004, Elias joined Brikor as Human Resources Director. Due to his vast experience in operations, industrial relations and human resources he was appointed. His calm but calculated management style, his negotiation and communication skills and his exceptional ability to interact with all employees, ensures that he is an asset to the management team. Elias has an in-depth knowledge and practical understanding of the ground floor operations of the brick making industry and has implemented and introduced various systems with great success. With his 34 years' brick making experience he could contribute to dramatically increase and maintain high production levels.

2.4 Ethan Dube (Non-executive Director) MSc (Statistics), Executive MBA (Sweden) (47)

Ethan has gained significant corporate finance and asset management experience over the years. He worked for Southern Asset Managers for three years as a Senior Analyst and for Standard Chartered and Merchant Bank for two years in the Corporate Finance departments. In 1996 Ethan founded Infinity Asset Management with three other partners and in 1998 he started Vunani Capital Holdings (Pty) Limited (Registration number 1997/020641/07), an investment banking company where he is the current Chief Executive Officer.

2.5 Garnett Parkin junior (Alternate Director) Leadership Development and Junior Management Certificate from University of Stellenbosch (24)

Being a management successor in every letter of the word and literally growing up in the factories, Garnett matriculated in 2001 at Leeuwenhof Academy with Cambridge University Syllabus. He did an Entrepreneurship Certificate at Potchefstroom University with Financial Management and Business Management as main subjects. In 2002 he went to the International Hotel School where he completed Tourism and Front Office Management (accredited by the American Hotel & Lodging Association).

In 2003 he enrolled at Unisa with Business Management, Public Administration, English Communications and Economics and also started his working career at Brikor, contributing and gaining knowledge on the day-to-day operations of the company. In 2005 Garnett contributed to the success of establishing a Procurement Department.

In 2006 Garnett attended the University of Stellenbosch's Business School and completed the Leadership Development and Junior Management Certificate. He was appointed Administration Manager and is also responsible for the company's marketing and advertising. In 2007 he was appointed Alternate Director and proved to be a natural leader with strong administrative skills and the ability to pursue greater challenges.

2.6 Don Darby (Project Manager – New Projects) National Advanced Technical Diploma (61)

After Don completed his National Advanced Technical Diploma in 1967, he started his career with Corobrick as a Senior Design Draughtsman. His career path at Corobrick distinguished him as a leader and he was promoted from Central Engineering Workshop Manager, manufacturing and

engineering, to Factory Manager at the Lawley Factory and later the bigger Springs Factory, improving production and profits. With extensive knowledge of re-engineering and restructuring of factories he was appointed as Factory Engineer from 1989 to 1993 and then as Special Assignments Manager where he was responsible for the recommissioning and upgrading of factories and new plant justifications.

Don joined Brikor in 2005 to manage the Tile Plant and to introduce controls. With the recent decision to expand, Don was appointed as Project Manager to plan, develop and manage the new projects such as the concrete roof tile plant and concrete paver plant. He is also responsible for planning and upgrading to robotics and the Vitro clay brick plant. Don has applied his expertise and extensive knowledge on the construction of manufacturing plants in the planning of the new projects. Don has over 28 years' experience in the brick making industry and has proven to be a respected advisor.

2.7 Murray Reid (Mineral Resources Manager) BSc Geology (53)

After completing a BSc degree in Geology at Natal University in 1975, Murray became an Exploration Geologist to conduct mineral exploration in Namibia and Namaqualand. In 1979 he was appointed Mine Geologist at Anglo Transvaal Consolidated to monitor and map underground geological features. He gained experience in detailed underground mapping, core drilling and mine planning. In 1980 he entered the brick making industry and was employed by the Tongaat Corogroup to control and monitor brick making raw materials including quarry planning, clay material assessments and geological evaluations.

He received a Bachelor of Science (Honours) Degree in 1984 in Mineral Economics and in 1985 he became a manager/partner of a small private brick production facility. Murray thereafter spent two years as a mining stock-market analysis at UAL Merchant Bank. In 1988 Murray returned to the brick making industry with his appointment as Manager of Mineral Resources at Corobrick responsible for the mining of all Corobrick's clay requirements. Murray joined Brikor in 2004 as Mineral Resources Manager to control all aspects of clay mining, stockpiling, exploration and quality monitoring. Murray is also responsible for mining applications and he is Chairperson of the Environmental Committee. With his extensive knowledge and expertise Murray became a key role player in the monitoring of clay quality.

2.8 Bryan Webster (Factory Manager – Vitro Plant) National Certificate in Ceramic Technology (60)

Bryan's career in the brick industry commenced in 1967 at Coronation Brick and Tile (later Corobrik) and he has over many years gained an in-depth knowledge of the industry. He received his National Certificate in Ceramic Technology in 1971 and completed a Business Management certificate in 1979. He started as a Production Trainee in 1970 progressed to Production Supervisor, Production Manager, Branch Manager, Operations Manager and finally Factory Manager at various Corobrick factories.

Brian managed a variety of kilns such as rectangular down draughts, Midgeon, Hoffman, TVA's and Tunnel Kilns. He introduced a new range, converted a factory to paver production and obtained ISO 9002 listing in his career as Factory Manager at the different factories. In December 2001 he went on early retirement and assisted Eston Brick and Tile in KwaZulu-Natal as a consultant. From 2004 to 2006 he worked as Operations Manager at Lobatse Clay Works in Botswana. In March 2006 Bryan joined Brikor in the position of Factory Manager at the Vitro Plant. Bryan positively applies his vast experience in raw materials, clay preparation, extrusion, drying, firing, management abilities and legal aspects to the Vitro Factory.

2.9 Jimmy Hope (Plant Manager) B Tech Engineering Diploma (49)

Jimmy started his career with Highveld Steel and Vanadium as Apprentice Fitter and Turner and after completion of his trade test he obtained a B Tech Engineering Diploma at the Vaal Triangle Technicon. In 1982 he was appointed as the Section Engineer – Mechanical at the Iron Plant Kiln. In 1990 he commenced work on different projects to big contracting firms that entailed the erection of a palletising plant and vanadium dryers at Highveld and other ventures such as the rebuilding of rotary kilns, installation of silicon smelters and plant design for a coal mining company.

In 2001 Jimmy joined Brikor as Plant Manager and with his attention to detail and precision, his knowledge and skills have since been applied in various areas of development and planning in Brikor's projects department. He was responsible for the design, civil, electrical, mechanical and commissioning of various plants. His skills have been applied to upgrade the Bronkhorstspuit factory and the installation of a JC Steel 75 machine that increased production capacity by approximately 60%. He is currently involved in the project management and installation of the new tile plant.

2.10 Dirk Matthee (Factory Manager – Plant 1 and Largo) (49)

After completing matric, attending a Teachers College in Pretoria and joining the SA Police force, Dirk commenced his brick-making career in 1986 at Corobrick. He gained extensive experience in making, mining, crushing, grinding, kiln packing, drying, firing, sorting and yard quality control as Production Foreman. He also had the opportunity of gaining knowledge on gas tunnel kilns and drying.

In 1995 he joined Marievale Brickworks as Production Manager. Dirk literally grew with Brikor and his skills were utilised at nearly every new installation and new factory that was bought or erected. He was promoted to Factory Manager at Plant 1 and Three while assisting at the Olifantsfontein factory and was transferred to manage the Largo factory in November 2004. With 21 years' brick making experience he is currently Managing Plant 1 and Largo. Dirk completed various courses such as Leadership Development, Managing by Objectives, Heavy Clay Ceramics and Production Management.

2.11 Sarel Odendaal (52) (Factory Manager – Plant 3)

Sarel matriculated in 1970 and attended various training courses such as a Production Management course at the Production Management Institute of SA, 6M Simulation Basic Business Principles at N.P.I. and Interaction Management at Toncoro. He also enrolled for various practical courses like Safety Training, Fire Fighting and a Customer Services course.

Sarel started his career at Corobrick as a Production Manager for nine years and then joined Weenen Bricks as Factory Manager for 4 years. He then joined Ocon Bricks where he was Plant Manager for 12 years. With extensive experience in the brick making industry and practical management of brick factories, he joined Brikor in 2004 as Factory Manager of Plant 3, where he has made a positive impact on production quantities and quality.

2.12 Frans Fourie (46) (General Manager – Bronkhorstspuit)

Frans matriculated in 1977, qualified as an Electrician in 1980 and obtained his T2 Electrical Engineering with 14 subjects in 1981. He started his career as Electrical Technician at Samancor. His career path changed to Fleet Manager at Lekoa Metropolitan where he gained experience in managing mechanical workshops and employees and implemented a new transport system. In 1997 he started his own business and operated as an electrical contractor and consultant to the JFE group of companies. JFE offered him a permanent position where he was responsible for tendering, controlling and management of large projects and developments in Cape Town.

Frans was employed by Brikor in 2006 as General Manager at the Brikor Bronkhorstspuit factory managing day-to-day operations of the brick making plant. His innovative ideas have already contributed to a significant increase in the production capacity.

2.13 Henk Heyns (Plant Manager – Concrete Tile Plant) N4 in Civil Engineering (47)

Henk completed his N4 in Civil Engineering in 1982 and his Concrete Technology training in 1984. Henk started his career as a Production Superintendent at Hippo Quarries (Holcim). He progressed to Dispatch Manager and ultimately joined the sales team selling materials to the concrete and building industry. He was later appointed as a Sales Manager in the Foodcorp Group. In 1998 Henk started his own business in the construction industry based on his knowledge of the concrete industry and sales background.

In 2003 Brikor appointed Henk as Sales Representative and subsequently he became Plant Manager at the Brikor Concrete Tile Plant. With Henk's extensive knowledge of concrete products and his passion for sales, Henk has made a remarkable improvement to the quality of products and profitability.

2.14 Wikus van der Merwe (Plant Manager – Bamford) (39)

Wikus matriculated in 1985 and qualified as a Millwright with PLC programming at Yskor in 1988 and was employed as Shift Millwright. In 1991 he was appointed at Corobrick as a De Hacking Millwright and was later responsible for all general maintenance on the kiln, settings, De Hacking and crushing. He moved on to Ceramic Industries as Selection Millwright and was later transferred to the Glazing Lines to manage and maintain all glazing line equipment. At Johnson Wax he was appointed as Production Millwright where he was responsible for daily production.

Wikus joined Brikor in 2005 at the Bamford Brick Factory as Plant Manager responsible for production, managing of staff, provision of raw materials, parts and the managing of costs. As the youngest Plant Manager on the Brikor team, Wikus displays initiative but also has an eagerness to develop himself and his plant on all levels.

2.15 Andre du Toit (Engineering Manager) (45)

Andre started his career in 1978 at the Rembrandt Tobacco Group as Apprentice Fitter and Turner. He qualified as Fitter and Turner in 1981. His experience in the brick making industry started in 1988 when he was appointed Engineering Foreman at Corobrick responsible for engineering, maintenance and safety.

Andre joined Brikor in 1994 as Plant Manager at Plant 1 in Nigel to oversee production and maintenance and have been part of Brikor for the past 13 years. In 2004 he was appointed as Engineering Manager and took control of the maintenance workshops and the engineering division, managing staff and plant. He has an extensive knowledge of all the different Brikor Factories and brick making in general, which he applies with great success to ensure the smooth running of the Engineering Department.

2.16 Danie Hanekom (Mining Manager) (44)

Danie qualified as a Diesel Mechanic in 1984 and started his career at Brick and Clay in 1986. He worked for the company for nine years gaining extensive knowledge on tractors, loaders, dozers, forklifts and excavators. In 1995 he joined Marievale Brickworks as Diesel Mechanic. In 1996 he started to mine different types of clay and building stockpiles. In 2000 Danie was appointed Mining Manager responsible for the procurement and maintenance on all mobile and mining equipment.

Danie is also responsible for the building of stockpiles. Danie has a hands-on management style, still rebuilding engines, transmissions, starters etc on the earth moving machines himself. He has a sharp eye for detail and, being with the company for 12 years, his experience and loyalty make him an indispensable part of the operations. Danie currently manages a fleet of 178 machines.

2.17 Wim van Rensburg (Sales Manager) Purchasing Management Diploma (39)

Wim matriculated in 1985 and achieved a Purchasing Management Diploma at Pretoria Technicon in 1990. After his studies he entered the brick industry with his appointment as Sales Representative at Cullinan Holdings – Brick Division. He was promoted to Senior Architect Specifier in 1993. In this position he was responsible for the Pretoria area's budget as well as customer care. Wim later became a member of the Professional Sales Association and Institute of Marketing Management.

In 1997 he joined Marievale Brickworks as Sales Representative and in 1998 he was appointed as Brikor Sales Manager. Apart from managing the Sales Representatives and controlling the day-to-day functions to ensure continuity of sales, he leads by example as he is also personally responsible for selling an average of 50 million bricks and 3.5 million roof tiles per year. Wim has an outstanding talent for identifying new business opportunities, sourcing new clients and penetrating new markets.

2.18 Frans du Toit (Sales Manager – South) (47)

Frans matriculated in 1977 and started his career at TMSA as Costing Clerk processing all expenses and went on to eventually manage the total costing function. He started his sales career with Ford. Frans excelled in the sales field being awarded the top sales person for his region. In 1993 he started his own scrap metal business.

In 2003 Frans joined Brikor as Sales Representative. He is a natural salesman with an outgoing personality. He quickly established himself in the brick market with excellent sales figures and good customer relations. He also has a keen interest in the brick making process. In 2006 he joined the Factory Managers on a Brick Making course to expand his knowledge on the manufacturing of bricks. He was appointed as Sales Manager – South, in 2006 responsible for marketing, sales and client services.

3. QUALIFICATION, APPOINTMENT, REMUNERATION AND BORROWING POWERS OF DIRECTORS

- 3.1** The relevant provisions of the articles of association of Brikor relating to qualification, appointment, remuneration and borrowing powers of directors are set out in paragraph 7 below. The borrowing powers may only be varied by special resolution, although the members may set limits by way of ordinary resolutions, which limits have not been exceeded since Brikor's incorporation.
- 3.2** In terms of the declarations lodged by the directors in accordance with Schedule 21 of the Listings Requirements, none of the following applies to any of the directors, listed in paragraph 1 above for the 12 months preceding the date of issue of this prospectus: bankruptcies, insolvencies or individual voluntary compromise arrangements; receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary liquidations, or any compromise or arrangement with creditors generally or any class of creditors of any company where such person is or was a director with an executive function of such company at the time of any such event; compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships of which the person is or was a partner at the time of such event; receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of such event; public criticisms of such person by statutory or regulatory authorities, including recognised professional bodies, disqualification by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; and/or any offence involving dishonesty.

4. DIRECTORS' REMUNERATION

- 4.1** The remuneration and benefits paid to the directors of the company, subsidiaries and entities in terms of the group restructuring for the financial year ended 28 February 2007, being the last financial period:

Year ended 28 February 2007	Basic R'000	Motor allowance R'000	Medical aid R'000	Deferred compensation R'000	Total R'000
Garnett van Niekerk Parkin	1 885	–	–	–	1 885
Hanleu Botha	587	120	23	16	746
Elias Mathebula	534	162	31	–	727
Garnett Parkin (junior) (2 March 2007)	133	–	–	–	133
	3 139	282	54	16	3 491

Note:

(1) The newly appointed non-executive director will earn a market-related hourly fee per meeting attended.

- 4.2** There will be no material variation in the remuneration receivable by any of the directors as a direct consequence of the private placement and listing.
- 4.3** No sums were paid by way of an expense allowance or by way of any other material benefits or contributions paid under any pension scheme, or any commission, gain or profit-sharing arrangements.

- 4.4** Other than disclosed in paragraph 4.1 above and as disclosed in the Restructure Agreements in paragraph 28, no payments were made, or accrued as payable, or are proposed to be paid within the three years preceding the date of this prospectus to any director or to any company in which they are beneficially interested, either directly or indirectly, or of which they are directors (“the associate company”), or to any partnership, syndicate or other association of which they are members (“the associate entity”), in cash or securities or otherwise to:
- 4.4.1** the directors in respect of management, consulting, technical, secretarial fees or restraint payments;
- 4.4.2** a third party *in lieu* of directors’ fees;
- 4.4.3** the directors as an inducement to qualify them as directors;
- 4.4.4** or otherwise for services rendered by them or by the associate company or the associate entity in connection the promotion or formation of Brikor.
- 4.5** Save in terms of the Restructure Agreements, no director or promoter has any material beneficial interest, direct or indirect, in the promotion of Brikor and in any property to be acquired or proposed to be acquired by Brikor out of the proceeds of the issue or during the three years preceding the date of this prospectus.
- 4.6** No business of Brikor or any part thereof is managed or is proposed to be managed by a third party under a contract or arrangement.

5. DIRECTORS’ SHAREHOLDINGS

- 5.1** The undermentioned director will, at the last practicable date, after the private placement and after the implementation of the Restructure Agreements hold, directly and indirectly, the following shares in Brikor:

Director	Number of shares held		Non-beneficially Direct	Non-beneficially Indirect	Total number of shares held	Percentage held, before the offer for sale	Percentage held, before the private placement	Percentage held, after the private placement
	Beneficially Direct	Beneficially Indirect						
Garnett van Niekerk Parkin	336 770 676	47 229 324	–	–	384 000 000	100.0	78.8	60.4

- 5.1.1** In terms of the ordinary shares issued in terms of paragraph 24.3.2.2 and, save in terms of the Restructure Agreements referred to in paragraphs 28.1, 28.2, 28.3 and 28.4, there have been no changes in the interests of the directors between 28 February 2007 and the date of this prospectus, other than disclosed in paragraph 28.1 of this prospectus.
- 5.1.2** Save in terms of the Restructure Agreements referred to in paragraph 28.1, 28.2, 28.3 and 28.4 of this prospectus, no director has or had any interest, directly or indirectly, in any transaction, which is, or was, material to the business of Brikor and which was effected by the company since incorporation, which remains in any respect outstanding or unperformed.
- 5.1.3** Brikor’s attorneys will hold in trust 50% of the shareholding of each director and the Designated Adviser (“the relevant securities”) from the date of listing until the publication of the audited results for 28 February 2009, after which 50% may be released and the balance one year thereafter and the required certificate to that effect has been lodged with the JSE by Brikor’s attorneys. The shares will not be released before notification to the JSE.

5.1.4 No loans (save as disclosed in paragraph 18 of this prospectus) or securities were furnished by Brikor to or for the benefit of any director or manager or any associate of any director or manager of Brikor.

5.1.5 No share options have been granted or awards made or shares issued and allotted in terms of the share incentive scheme at the last practicable date.

5.2 Directors' service contracts

Each of the executive directors has a service contract with Brikor, containing such terms as are usual for such contracts and the terms relating to the remuneration detailed in paragraph 4.1 above. The service agreements impose notice periods of not less than three months. In addition, the executive directors have signed restraint undertakings in favour of the company.

6. OTHER DIRECTORSHIPS HELD BY DIRECTORS OF BRIKOR

The names of other companies to which the directors have been a director or partner at any time in the previous five years are set out hereunder:

Director	Current directorships/memberships	Registration number
Ethan Dube	Getgood Investments (Pty) Limited	1998/012206/07
	African Harvest (Pty) Limited	2002/003947/07 *
	Bassap Investments Trust (Pty) Limited	2001/016486/07
	Coresource Investments (Pty) Limited	1998/022198/07
	Denbridge Investments (Pty) Limited	2003/012366/07
	Erf 117 Theewaterskloof CC	1997/063730/23
	ERF 8105 Kronenzicht Investments (Pty) Limited	1997/054839/23
	ERF 8106 Kronenzicht (Pty) Limited	1998/021338/07
	ERF 8106 Kronenzicht (Pty) Limited	1997/033975/23
	Infinity Securities Trading (Pty) Limited	1997/011288/07
	PTYTRADE 219 (Pty) Limited	2004/023418/07
	Sibetha and Associates CC	1996/038868/23
	Unit 4 Villa Di Legno CC	1997/069100/23
	Unit 5 Villa Di Legno CC	1998/023546/23
	Unit 6 Villa Di Legno CC	1998/023574/23
	Vunani Corporate Finance (Pty) Limited	2006/008462/07
	Dougall Insurance Brokers (Pty) Limited	2005/018355/07
	Woodcove Cascades (Pty) Limited	1994/027593/23
	Lexshell 630 Investments (Pty) Limited	2004/011262/07
	African Harvest Finance (Pty) Limited	1995/007930/07
	Before the Wind Investments 178 (Pty) Limited	2006/008303/07
	Bravura Equity (Pty) Limited	1998/017469/07 *
	Bravura Equity Services (Pty) Limited	1998/017454/07 *
	Cape Town Central City Improvement District	1999/009132/08
	Drees and Sommer Vunani (Pty) Limited	2006/008303/07
	Q-Photo (Pty) Limited	2005/032781/07
	Gidani (Pty) Limited	2005/007741/07
	Hyprop Investments (Pty) Limited	1987/005284/06
	Izinyoni Trading 215 (Pty) Limited	2003/000822/07
	Lexshell 638 Investments (Pty) Limited	2004/021697/07 *
	Pennystocks Bear Sales (Pty) Limited	1994/004731/07
	Pennystocks Investments Limited	1989/002549/06
	PeregrineQuant (Pty) Limited	1999/015894/07
	Sanski Investments 52 (Pty) Limited	2005/007101/07
	Sibetha Financial Services (Pty) Limited	1997/005869/07
	Tresso Trading 864 (Pty) Limited	2004/008237/07
	Vector Equities (Pty) Limited	1997/004788/07
	Vector Nominees (Pty) Limited	2003/028941/07
	Vector Securities and Derivatives (Pty) Limited	1968/008854/07

Director	Current directorships/memberships	Registration number	
Ethan Dube (continued)	Velocity Asset Management Company (Pty) Limited	1997/004730/07	
	Vunani Capital Holdings (Pty) Limited	1997/020641/07	
	Vunani Capital (Pty) Limited	1998/001469/07	
	Vunani Group (Pty) Limited	2004/006502/07	
	Vunani Nominees (Pty) Limited	2000/031572/07	
	Vunani Properties (Pty) Limited	2004/006730/07	
	Vunani Property Investment Fund (Pty) Limited	2005/019302/07	
	Vunani Resources (Pty) Limited	2004/006400/07	
	Vunani Securities (Pty) Limited	1997/010323/07	
	Vunani Staffing Solutions (Pty) Limited	2003/023902/07	
	Wolfsberg Arch Investments (Pty) Limited	2003/007988/07	
	Cadiz African Harvest Fund Asset Management (Pty) Limited	1953/001254/07 *	
	African Partnerships Management Company (Pty) Limited	1998/016039/07	
	Blue Moonlight Properties 248 (Pty) Limited	2006/022708/07	
	Vunani Energy (Pty) Limited	2006/022641/07	
	Loato Properties (Pty) Limited	2006/022207/07	
	Vunani Properties Asset Managers (Pty) Limited	2006/016645/07	
	Alert Steel Holdings Limited	2003/005144/06	
	Esor Limited	1994/000732/06	
	Workforce Group Limited	2006/018145/06	
	Interwaste Holdings Limited	2006/037223/06	
	Garnett van Niekerk Parkin	E-Fuel (Pty) Limited	2004/014417/07
		Largo Bricks (Pty) Limited	2003/010899/07
Dunrose Investments 175 (Pty) Limited		2002/031680/07	
Marievale Bamford (Pty) Limited		2000/003998/07	
Largo Colliery CC		2004/114639/23	
Valucorp 56 CC		2003/091884/23	
Zenzisa 65 CC		2003/028011/23	
Brickor Building Centre (Pty) Limited		2006/005055/07	
Steynol (Pty) Limited		1998/013964/07	
Vecto Trade 449 (Pty) Limited		2006/015289/07	
Ekurhuleni Coal (Pty) Limited		2005/032563/07	
Entertainment Line (Pty) Limited		2002/064533/23	
Furnlube (Pty) Limited		1996/016920/07	
Parkin Mine Enterprises (Pty) Limited		1994/006166/07	
Marievale Brick Works (Pty) Limited		1994/006183/07	
Vitro Clay Pipes (Pty) Limited		1994/005729/07	
Brikor Vitro (Pty) Limited		1991/000734/07	
Data Haul (Pty) Limited		1986/004740/07	
Fortuna Brickmakers (Pty) Limited		1995/007923/07	
Garnett Parkin (Junior)		Kuvula Trade 40 (Pty) Limited	2005/021356/07

* No longer a director.

7. RELEVANT PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY PROVIDING FOR THE APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS OF DIRECTORS

Extracts from the articles of association of Brikor are set out below:

“DIRECTORS – NUMBER, QUALIFICATION AND REMUNERATION

- 89.** The number of directors shall be not less than four.
- 90.** A director shall not be obliged to hold any qualification shares.
- 91.** The remuneration of the directors for their services as such shall be determined from time to time by a general meeting.
- 92.** 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 a disinterested quorum of the directors, which may be in addition to or in substitution for any other remuneration.

ALTERNATE DIRECTORS

- 93.** Each director shall have the power to appoint any person to act as alternate director in his place during his absence or inability to act as such, and at his discretion to remove such alternate director, and to appoint another in his stead, provided that the appointment of such alternate director shall be made in writing and approved by the directors. On such appointment being made and approved, the alternate director shall (except as regards the power to appoint an alternate and remuneration) in all respects be subject to the terms and conditions existing with reference to the other directors of the company and each alternate director, whilst so acting, shall be entitled to receive notice of all meetings of the directors or of any committee of the directors of which his appointer is a member, and to attend and vote at any such meeting at which his appointer is not personally present. The alternate shall generally be entitled to exercise and discharge all the functions, powers and duties of his appointer in such appointer's absence as if he were a director. The remuneration of an alternate director shall be payable only out of the remuneration payable to the director appointing him and he shall have no claim against the company for such remuneration.
- 94.** The appointment of an alternate director shall be cancelled and the alternate director shall cease to hold office on the happening of any event which, if he were a director, would cause him to cease to hold office in terms of these articles, or if the director who appointed him shall cease to be a director or shall give notice in writing to the secretary that the alternate director representing him shall have ceased to do so. In the event of the disqualification or resignation of any alternate director during the absence or inability to act of the director whom he represents, the vacancy so arising shall be filled by the chairman of the directors who shall appoint a person to fill such vacancy subject to the approval of the board. A director retiring at any general meeting and being re-elected shall not for the purposes of this article, be deemed to have ceased to be a director. However, any appointment of a director as an addition to the board shall be confirmed at the next annual general meeting.
- 95.** A person may be appointed as alternate to more than one director and where a person is alternate to more than one director, or where an alternate director is a director, he shall have a separate vote, on behalf of each director he is representing, in addition to his own vote, if any.

GENERAL POWERS OF DIRECTORS

- 96.** The management of the business and the control of the company shall be vested in the directors who, in addition to the powers and authorities by these articles expressly conferred upon them, may exercise all such powers, and do all such acts and things as may be exercised or done by the company and are not hereby or by the Act expressly directed or required to be exercised or done by the company in general meeting, but subject nevertheless, to such management and control not being inconsistent with these articles nor with any resolution passed at any general meeting of the members in accordance therewith. No resolution passed by the company in general meeting shall invalidate any prior act of the directors which would have been valid if such resolution had not been passed. The general powers given by this article shall not be limited or restricted by any special authority or power given to the directors by any other article.

97. Although the directors shall have power, pursuant to section 228 of the Act, to enter into a provisional contract for the sale or alienation 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, such contract shall only become binding on the company in the event of the specific transaction proposed by the directors being authorised or ratified in terms of a resolution passed by a majority of the votes cast at a general meeting convened for that purpose. All the provisions of these articles as to general meetings shall apply *mutatis mutandis* to meetings convened under this article for such purposes.

PAYMENTS TO SHAREHOLDERS

98. Subject to the provisions of section 90 of the Act (and, if applicable, any relevant regulations and/or requirements of the JSE), the company is hereby authorised to make payments to its shareholders. Any such payment to shareholders shall not be made on the basis that the amount paid may be called up again by the company.

BORROWING POWERS

99. The directors may exercise all the powers of the company to borrow money and to mortgage or encumber its undertaking, property or any part thereof and to issue debentures or debenture stock, whether secured or unsecured, and other securities (with such special privileges, if any, as to allotment of shares or stock, attending and voting at general meetings, appointment of directors or otherwise as may be sanctioned by a general meeting) whether outright or as security for any debt, liability or obligation of the company or of any third party.

100. For the purpose of the provisions of Article 99, the borrowing powers of the directors shall be unlimited.

101. Subject to Article 105, the directors may give pensions, gratuities and allowances to and make payments for or towards the insurance of any employees or ex-employees, including directors or ex-directors, of the company, or of any company which is or was a subsidiary of the company or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons and may establish and maintain any non-contributory pension, superannuation, provident and benefit funds for the benefit of any such persons and make contributions to any such funds and pay premiums for the purchase of any such gratuity, pension, allowance, life assurance or other benefit.

LOCAL BOARDS, AGENTS AND COMMISSIONS OF THE BOARD

102. The directors may establish any local boards, committees or agencies in the Republic or elsewhere for managing any of the affairs of the company and may:

102.1 appoint any persons to be members of such local boards or committees, or any managers or agents;

102.2 fix the remuneration of the persons referred to in Article 102.1;

102.3 delegate to any local board, committee, manager or agent any of the powers, authorities and discretions vested in the directors with power to sub-delegate;

102.4 authorise the members of any local board or committee or any of them, to fill any vacancies therein and to act notwithstanding vacancies.

Any such appointment or delegation may be made upon such terms and subject to such conditions as the directors may think fit, and the directors may remove any person so appointed, or annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

103. The directors may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the directors, to be the attorney or agent of the company for such purposes and with such powers, authorities and discretions (not exceeding those

vested in or exercisable by the directors under these articles) and for such period and subject to such conditions as they may think fit. Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him or them.

- 104.** The directors may delegate any of their powers to an executive or other committee whether consisting of a member of their body or not as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors and any such regulations may authorise the appointment of sub-committees.

MANAGING AND EXECUTIVE DIRECTORS

- 105.** A disinterested quorum of directors may from time to time appoint one or more of their body to be managing director, assistant managing director, general manager or executive director (with or without specific designation) of the company or to any other executive office with the company for such period and, subject to the provisions of section 225 of the Act, at such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) and generally on such terms as they may think fit, and may, subject to any contract between him or them and the company, from time to time terminate his or their appointment and appoint another or others in his or their place or places.
- 106.** A managing director may be appointed by a disinterested quorum of directors and he shall not be subject to retirement by rotation or be taken into account in determining the rotation or retirement of directors, except during the period of any such appointment, provided that less than half of the directors may be appointed managing directors on the condition that they shall not be subject to retirement by rotation. Subject to the terms of his appointment, a managing director shall be subject to the same provisions as to removal as the other directors, and if he ceases to hold the office of director for any reason, he shall *ipso facto* cease to be a managing director.
- 107.** A disinterested quorum of directors may from time to time entrust to and confer upon a director appointed to any position or executive office under Article 105 such of the powers exercisable under these articles by the directors as they think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

CASUAL VACANCIES

- 108.** Without prejudice to the powers of the company in general meeting to appoint any person to be a director, a disinterested quorum of directors shall have power at any time and from time to time to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed the maximum number, if any, fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. The appointment of a director to fill a casual vacancy shall therefore be confirmed at the next annual general meeting.

DISQUALIFICATION AND PRIVILEGES OF DIRECTORS

- 109.** The office of a director shall *ipso facto* be terminated and vacated if the director:
- 109.1** ceases to be a director by virtue of any of the provisions of the Act, or is disqualified from acting as, or becomes prohibited from being a director by reason of any order made under the Act; or
 - 109.2** files a petition for the surrender of his estate, or an application for an administration order, or if his estate is sequestrated, or if he commits an act of insolvency as defined in the insolvency law for the time being in force or if he makes any arrangement, compromise or composition with his creditors generally; or
 - 109.3** is found to be lunatic or becomes of unsound mind; or

- 109.4** is removed by a resolution of the company in terms of section 220 of the Act with effect from the date of, or such later date as is provided for in, such resolution; or
- 109.5** resigns his office by notice in writing to the company with effect from the date of, or such later date as is provided for in, such notice; or
- 109.6** absents himself from meetings of directors for six consecutive months without special leave of absence from the other directors who resolve that his office shall be vacated, provided that this provision shall not apply to a director who is represented by an alternate who does not so absent himself; or
- 109.7** becomes retired in terms of Articles 117 to 124 inclusive.
- 110.** No director or prospective director shall be disqualified by his office from contracting with the company either as vendor, purchaser, lender, underwriter, guarantor for commission or profit on any shares or securities or liability of the company, or of any company in which the company may be interested, or in any other manner whatsoever. No such contract or arrangement entered into by or on behalf of the company in which any director shall be in any way interested, nor any contract or agreement entered into with any company or partnership of or in which any director shall be a member, director or partner or otherwise interested, shall be or be liable to be invalidated or voided by any such reason or by reason of the board of directors of the company not constituting an independent executive or disinterested quorum.
- 111.** Any director so contracting or being so interested or acquiring any benefit under any contract or arrangement made or entered into by or on behalf of any person, company or partnership in relation to the affairs of the company shall not be liable to account to the company for any profits or benefits realised by or under such contract or arrangement by reason of such director holding that office or by reason of the fiduciary relationship thereby established.
- 112.** Any director so interested or acquiring any such benefits shall not be entitled to vote at any board meeting or otherwise in relation to such contract.
- 113.** Notwithstanding the foregoing, any director so interested or acquiring any such benefit shall disclose the fact of his possessing any interest, whether as director or member or otherwise, whether or not it appears on the face of the contract or arrangement, in accordance with the provisions of sections 234 and 240 of the Act. Subject to the provisions of section 234(3) of the Act and the Listings Requirements of the JSE, a general notice in writing given to the directors by a director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, shall be deemed to be a sufficient disclosure in relation to any contract or proposed contract so made or to be made.
- 114.** Without detracting from the generality of Articles 110 to 113 inclusive, a director (and, in the case of Article 113 any firm of which he is a member) may, subject to the provisions of the Act:
- 114.1** be employed by or hold any other office or place of profit in the company, or any holding or subsidiary company of the company or any company controlled by the company, other than that of auditor, in conjunction with his directorship, and upon such terms as to appointment, and subject to the provisions of section 225 of the Act, remuneration and tenure of office and otherwise as a disinterested quorum of directors may determine;
- 114.2** act in a professional capacity for the company, and he or such firm shall be entitled to remuneration for those professional services as if he were not a director, provided that nothing herein contained shall authorise a director or any firm of which he is a member, to act as auditor of the company or of any holding or subsidiary company of the company;
- 114.3** be or become a director of any subsidiary or other company promoted by the company or in which it may be interested as vendor, shareholder or otherwise;
- 114.4** represent the company in the management of any business operation or concern in which the company may be interested as a partner or otherwise.

- 115.** Notwithstanding any such interest, any such director may be counted in the quorum present at any meeting at which any such matter is being considered and vote thereon as though he had no interest therein, and no such director shall be accountable to the company for any remuneration, profit, gain or other benefit received in any capacity as aforesaid, subject to the Listings Requirements of the JSE.
- 116.** Any voting power conferred by the shares in a company referred to in Article 114.2, or exercisable by the directors as directors of such company, may be exercised by the directors in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers of such company. Any director may vote in favour of the exercise of such voting rights in such manner, notwithstanding that he may be, or about to be, appointed a director or other officer of such company and as such, or in any other manner, is or may become interested in the exercise of such voting rights in the manner aforesaid, save that any resolution relating to the payment of remuneration to the directors or officers of such company shall be voted on by a disinterested quorum of directors.

ROTATION OF DIRECTORS AND REMOVAL

- 117.** At each annual general meeting of the company one-third of the directors, or if their number is not a multiple of three then the number nearest thereto, but not less than one-third shall retire from office, provided that in determining the number of directors to retire no account shall be taken of any director who by reason of the provisions of Article 106 is not subject to retirement. The directors so to retire at each annual general meeting shall, subject to any provision to the contrary in these articles, be the directors who have been longest in office. As between two or more directors who have been in office an equal length of time, the directors to retire shall, in default of agreement between them be determined by lot. The length of time a director has been in office shall be computed from the date of his last election or appointment. A retiring director shall hold office until the conclusion of the meeting at which he retires.
- 118.** Notwithstanding the above, if a director is appointed a managing director, or as an employee of the company in any other capacity, the contract under which he is appointed may provide that he shall not, while he continues to hold that position or office under contract for a term of rotation, be subject to retirement by such contract and he/she shall not in such case be taken into account in determining the rotation or retirement of directors, provided that less than half of the directors may be appointed to any such position.
- 119.** Retiring directors shall be eligible for re-election. No person other than a retiring director shall be eligible for election to the office of director at any annual general meeting unless he, or some member intending to propose him, has at least seven clear days before the meeting left at the office a notice in writing, duly signed, signifying his candidature for that office or the intention of such member to propose him. The power to elect directors at general meetings other than annual general meetings shall be exercisable only when special notice has been given of the intended resolution exercising such power.
- 120.** Subject to Article 116, the company in general meeting at which any directors retire in the manner aforesaid may, subject to any resolution reducing the number of directors, fill the vacated offices by electing a like number of persons to be directors and may fill any other vacancies.
- 121.** If, at any general meeting at which an election of directors ought to take place, the place of any retiring director is not filled, he shall continue in office until the dissolution of the annual general meeting in the next year, and so on from year to year until his place is filled, unless it shall be determined at such meeting to reduce the number of the directors.
- 122.** Subject to the provisions of section 220 of the Act, the company may by ordinary resolution remove any director and elect another person in his stead.
- 123.** The company may by ordinary resolution in general meeting from time to time increase or reduce the number of directors and may also determine in what manner or rotation such increased or reduced number is to go out of office. Whenever such increase is made the members at the said meeting, or failing them, the directors, may fill the new seats so created. The appointment of any director to fill a casual vacancy or as an addition to the board must be confirmed at the next annual general meeting.

- 124.** No appointment of a director, except that of a retiring director, re-elected at an annual general meeting or a general meeting, shall take effect until consent of such director to act as a director of the company has been lodged with the company.

PROCEEDINGS OF DIRECTORS' MEETINGS

- 125.** The directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and may determine the quorum necessary for the transaction of business, what period of notice shall be given of meetings of directors and the means of giving such notice. Until otherwise determined, the quorum necessary for the transaction of the business of the directors shall be three.
- 126.** The continuing directors may act, notwithstanding any casual vacancy in their body, so long as there remain four directors duly qualified to act, but if the number falls below four the remaining director or directors shall have the power to call a general meeting in order to fill such casual vacancy, and except for the purpose of filling such vacancy the director or directors shall not act so long as the number is below four.
- 127.** A director at any time may, and the secretary upon the request of a director shall, convene a meeting of the directors. If there is no director able and willing to act then any two members may summon a general meeting for the purpose of appointing directors. A director who is not within the Republic shall not be entitled to notice of any such meeting, but notice shall be given to all duly appointed alternate directors who may at the time be within the Republic.
- 128.** A director unable to attend a directors' meeting may authorise any other director to vote for him at that meeting, and the director so authorised shall have a vote for each director by whom he is so authorised in addition to his own vote. If both the director so authorised and an alternate of the director who granted the authority are present at the meeting, the alternate shall not be entitled to vote on behalf of the absent director. Authority in terms of this article must be in writing (including a telegram or facsimile or e-mail transmission) and must be handed to the person presiding at the meeting at which it is to be used.
- 129.** Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall not have a second or casting vote.
- 130.** The directors may elect a chairman of their meetings and one or more deputy chairmen to preside in the absence of the chairman, and may determine a period (not exceeding one year) for which they are to hold office. If no such chairman or deputy chairman is elected or if at any meeting neither the chairman nor the deputy chairman is present within fifteen minutes after the time appointed for holding the same, the directors shall choose one of their number to be chairman of such meeting.
- 131.** A meeting of the directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these articles or the regulations of the company for the time being vested in or exercisable by the directors generally.
- 132.** A resolution in writing signed by all the directors for the time being present in the Republic and being not less than are sufficient to form a quorum, shall, subject to the provisions of sections 236 and 242(2) of the Act, be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted, provided that where a director is not so present but has an alternate who is so present, then such resolution must be signed by such alternate. Any such resolution may consist of several documents in like form each signed by one or more directors or their alternates, if applicable, and shall be deemed to have been passed on the date on which it was signed by the last director who signed it, or on such other date as such resolution may direct.

VALIDITY OF ACTS OF DIRECTORS AND COMMITTEES

- 133.** As regards all persons dealing in good faith with the company, all acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director in terms of these articles, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of such director or person acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a director or was entitled to vote, as the case may be."

HISTORICAL FINANCIAL INFORMATION OF BRIKOR

The definitions commencing on page 12 of this prospectus have been used in this report.

The income statements, balance sheets, statements of changes in equity, cash flow statements and the related notes have been extracted, without adjustment, from Brikor's audited annual financial statements for the three financial years ended 28 February 2007.

The audited annual financial statements of Brikor have been prepared in the manner required by the Act in accordance with IFRS.

The directors of Brikor are responsible for the financial information to which the reporting accountants' report and the report of historical financial information on Brikor relate and from which such reports have been prepared.

The independent reporting accountants' report on the historical annual financial information of Brikor for the three years ended 28 February 2007 is set out in Annexure 3 to this prospectus.

RSM Betty & Dickson (Tshwane) have issued an unqualified audit opinion on the audited annual financial statements of Brikor for the year ended 28 February 2007. Fred C Ellis, the previous auditors of Brikor have issued unqualified audit opinions for the two financial years ended 28 February 2006.

FINANCIAL STATEMENT COMMENTARY

DIRECTORS' COMMENTARY

- Brikor achieved a full-year EBITDA profit of R60.5 million for the twelve months ended 28 February 2007.
- Total revenue was R305.5 million, an increase of 11% compared with the year ended 28 February 2006.

The EBITDA was in line with expectations, reflecting slightly lower margins due to consolidation and focus on improvement of yields. We are confident that the benefits from our capital investment programs will flow through to the bottom line. The significant capital investment programme has positioned the company for future growth. A second Rooftile Plant with initial production capacity of 12 million tiles per year and a Paver Plant with initial production capacity of 44 million pavers, will be commissioned during the end of July 2007. The capital investment has been vital for Brikor to expand into the paver market and to increase its rooftop production capacity.

Capital expenditure for the year was R18.3 million. R11.5 million was spent on the Roof Tile plant and R5.1 million on the Paver Plant with the balance spent on upgrading existing brickmaking facilities and the implementation of a new state of the art data and surveillance network.

The foundations have been laid for future growth and profitability and the benefits of these investments will flow through to Brikor's earnings.

SHARE CAPITAL

There were no changes in the authorised or issued share capital of Brikor during the year under review.

PRINCIPAL ACTIVITIES

Brikor is a manufacturer and supplier of bricks, roof tiles, pavers, clay pipes and related building materials. There were no material changes in the nature of the business of the company.

GENERAL REVIEW

Brikor's business and operations, and the results thereof, are reflected in the attached financial statements and no other fact or circumstance material to a fair assessment of the financial position of Brikor has occurred.

PROPERTY, PLANT AND EQUIPMENT

There have been no major changes in the property, plant and equipment of Brikor during the period or any changes in the policy relating to their use, other than as disclosed in the historical financial information and paragraph 28 of this prospectus.

DIVIDENDS

No dividends were declared during the year under review.

SUBSEQUENT EVENTS

Brikor acquired the businesses of PME and Brikor Vitro and the immovable properties and liabilities of Marievale Bamford in terms of the PME Sale of Business Agreement, Brikor Vitro Sale of Business Agreement and Marievale Bamford Sale Agreement for a consideration of R103 025 656. The aforesaid consideration was discharged by Brikor on behalf of Brikor by the issue and allotment of 103 025 656 ordinary shares, credited as fully paid, at an issue price equal to the par value of such shares plus a premium of R103 015 353.43.

Other than the above no material fact or circumstance has occurred between the end of the latest financial statements at 28 February 2007 and the date of this prospectus.

INCOME STATEMENTS

The income statements of Brikor for the three financial years ended 28 February 2007 are set out below:

	Notes	2007 R	2006 R	2005 R
Revenue		305 530 943	274 836 994	229 599 001
Cost of sales		(221 450 743)	(182 915 643)	(170 115 184)
Gross profit		84 080 200	91 921 351	59 483 817
Other income		657 413	59 244	637 754
Operating costs		(31 575 238)	(36 454 232)	(27 853 670)
Operating profit	12	53 162 375	55 526 363	32 267 901
Investment revenue		2 177 415	778 062	98 315
Finance costs		(5 166 649)	(5 328 732)	(6 478)
Profit before taxation		50 173 141	50 975 693	32 359 738
Taxation	13	(14 805 764)	(14 373 327)	(9 894 493)
Profit for year		35 367 377	36 602 366	22 465 245
Months in financial year:		12 months	12 months	12 months
Weighted average number of shares in issue		10	10	10
Basic earnings per share (cents)		353 673 770	366 023 660	224 652 450
(Profit)/Loss on disposal of property, plant and equipment (after-tax cents)		(3 184 180)	18 984 450	(6 000 000)
Headline earnings per share (cents)		350 489 590	385 008 110	218 652 450
Dividend per share (cents)		–	–	7 500 000

BALANCE SHEETS

The balance sheets of Brikor at 28 February 2007, 28 February 2006 and 28 February 2005 are set out below:

	Notes	2007 R	2006 R	2005 R
ASSETS				
Non-current assets				
Property, plant and equipment	2	241 458 038	66 752 340	84 144 163
Intangible assets	3	22 080 645	29 900	28 343
		263 538 683	66 782 240	84 172 506
Current assets				
Other financial assets	5	–	16 017 006	18 904 886
Loans to shareholder	4	–	18 276 864	–
Inventories	7	19 030 701	16 840 634	8 013 290
Trade and other receivables	8	30 899 253	23 262 716	20 078 557
Cash and cash equivalents	8	2 884 358	138 655	8 643 490
		52 814 312	74 535 875	55 640 223
Total assets		316 352 995	141 318 115	139 812 729
EQUITY AND LIABILITIES				
Equity				
Share capital	9	10	10	10
Retained income		112 951 090	77 583 715	40 981 349
		112 951 100	77 583 725	40 981 359
LIABILITIES				
Non-current liabilities				
Mortgage bonds and instalment sale agreements	10	5 595 509	6 683 828	30 119 484
Deferred taxation	6	28 145 505	6 154 677	11 005 657
Provisions	11	5 547 431	5 156 433	4 761 252
		39 288 445	17 994 938	45 886 393
Current liabilities				
Other financial liabilities	10	103 025 656	3 238 221	9 376 181
Current tax payable		34 962 669	21 952 968	4 857 462
Mortgage bonds and instalment sale agreements	10	3 704 664	2 033 021	18 227 885
Trade and other payables		22 420 461	16 897 184	20 483 449
Bank overdraft	8	–	1 618 058	–
		164 113 450	45 739 452	52 944 977
Total liabilities		203 401 895	63 734 390	98 831 370
Total equity and liabilities		316 352 995	141 318 115	139 812 729
Weighted average number of shares in issue		10	10	10
Net asset value per share (cents)		1 129 511 000	775 837 250	409 813 590
Net tangible asset value per share (cents)		908 704 550	775 538 250	409 530 160

CHANGES IN EQUITY

The consolidated statements of changes in equity of Brikor for the financial years ended 28 February 2007, 28 February 2006 and 28 February 2005 are set out below:

	Share capital R	Revaluation reserve R	Retained income R	Total equity R
Balance at 1 March 2004	10	46 283 955	16 310 556	62 594 521
Effect of First-time Adoption of IFRS (Note 18)		(46 283 955)	2 955 548	(43 328 407)
Restated balance at 1 March 2004	10		19 266 104	19 266 114
Profit for year – 2005			22 465 245	22 465 245
Dividends			(750 000)	(750 000)
Balance at 1 March 2005	10		40 981 349	40 981 359
Profit for year – 2006			36 602 366	36 602 366
Balance at 1 March 2006	10		77 583 715	77 583 725
Profit for year – 2007			35 367 375	35 367 375
Balance at 28 February 2007	10		112 951 090	112 951 100

CASH FLOW STATEMENTS

The consolidated cash flow statements of the Brikor for the financial years ended 28 February 2007, 28 February 2006 and 28 February 2005 are set out below:

	Notes	2007 R	2006 R	2005 R
Cash flows from operating activities				
Cash receipts from customers		297 894 406	271 543 225	225 723 502
Cash paid to suppliers and employees		(241 643 003)	(219 170 712)	(183 264 631)
Cash generated from operations	15	56 251 403	52 372 513	42 458 871
Interest income		2 177 415	778 062	98 315
Finance costs		(4 296 949)	(5 328 732)	(6 478)
Tax paid	16	(2 725 681)	(2 128 806)	(156 263)
Net cash from operating activities		51 406 188	45 693 037	42 394 445
Cash flows from investing activities				
Purchase of property, plant and equipment	2	(205 009 016)	(34 221 019)	(16 469 256)
Proceeds on disposal of plant and equipment		23 301 961	39 562 551	600 000
Loans granted/(repaid)		34 293 870	(15 388 984)	(9 274 299)
Net cash from investing activities		(147 413 185)	(10 047 452)	(25 143 555)
Cash flows from financing activities				
Borrowing repaid		–	(45 768 477)	(9 977 067)
Proceeds from borrowings		100 370 758	–	–
Dividends paid		–	–	(750 000)
Net cash from financing activities		100 370 758	(45 768 477)	(10 727 067)
Total cash movement for year		4 363 761	(10 122 892)	6 523 823
Cash at beginning of year		(1 479 403)	8 643 489	2 119 667
Total cash at end of year	8	2 884 358	(1 479 403)	8 643 490

NOTES TO THE FINANCIAL STATEMENTS

The notes to the historical financial information of Brikor at 28 February 2007 are set out below:

Accounting policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with IFRS and the Act. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value and incorporate the principal accounting policies set out below.

The financial statements have been prepared in accordance with IFRS and its interpretations adopted by the International Accounting Standards Board ("IASB"). These are the company's first financial statements under IFRS and IFRS 1: First-time Adoption of IFRS, has been applied.

An explanation of how the transition to IFRS has affected the reported financial position and financial performance of the company is provided in Note 18.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses (refer Note 1.2). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The accounting policies set out below have been applied consistently to all years presented in these financial statements and in preparing an opening IFRS balance sheet at 1 March 2004 for the purposes of the transition to IFRS.

1.2 Sources of estimation uncertainty and significant judgements

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed and include the following:

Allowance for doubtful debts

Past experience indicates a reduced prospect of collecting debtors over the age of three months. Debtors balances older than three months are regularly assessed by management and provided for at their discretion.

Allowance for damaged and obsolete stock

Any stock that is physically identified as damaged or obsolete is written off when discovered.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including i.e. production estimates and supply and demand, together with economic factors such as exchange rates, inflation and interest rates.

Property, plant and equipment

Management has made certain estimations with regards to the determination of estimated useful lives and residual values of items of property, plant and equipment, as discussed further in Note 1.3.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Deferred taxation asset

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

1.3 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;
- 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 or, replace part of 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.

Day-to-day expenses incurred on property, plant and equipment is expensed directly in profit or loss for the period. Major maintenance that meets the recognition criteria is capitalised.

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

Depreciation commences when an asset is available for use. Depreciation is charged so as to write off the depreciable amount of items (other than land) to their residual values, over their estimated useful lives, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the company.

Where an item comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment and depreciated over their estimated useful lives.

Land is not depreciated.

Methods of depreciation, useful lives and residual values are annually reviewed.

The following methods and useful lives were applied during the year, except for land which is non-depreciable:

Item	Method	Useful life
Buildings	Straight line	60 years
Plant and equipment	Straight line	8 to 12 years
Furniture and fixtures	Straight line	8 to 10 years
Motor vehicles	Straight line	5 to 8 years
Delivery vehicles	Straight line	5 years
Computer equipment	Straight line	3 years

The depreciation charge for each period is recognised in profit or loss.

Derecognition occurs when an item of property, plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

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 and the carrying amount of the item.

When a decision is made by the director's that an item of property, plant and equipment will be disposed of, and the requirements of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, are met, then those specific assets will be presented separately on the face of the balance sheet. The assets will be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets shall cease.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the company;
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost unless acquired as part of a business combination, in which case they are recognised at fair value.

Research costs are recognised as an expense when they are incurred.

Development costs are capitalised when they meet the following criteria:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Internally generated brands and items similar in substance are not recognised as intangible assets.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided on indefinite useful life intangibles. They are tested annually for impairment and impaired if necessary.

The following useful lives were applied during the year:

Item	Useful life
Patents	20 years

1.5 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, 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.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

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 unit. The impairment loss is allocated to reduce the carrying amount of the assets of the 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.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss.

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

1.6 Financial instruments

Initial recognition

The company classifies the 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.

Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified as at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

An asset that is subsequently measured at cost or amortised cost is recognised initially at its fair value on the trade date.

Subsequent measurement

After initial recognition financial assets are measured as follows:

- Loans and receivables and held-to-maturity investments are measured at amortised cost less any impairment losses recognised to reflect irrecoverable amounts.
- Financial assets classified as available-for-sale or at fair value through profit or loss, including derivatives, are measured at fair values. Fair value, for the purpose, is market value if listed, or a value arrived at by using appropriate valuation models, if unlisted.
- Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

After initial recognition financial liabilities are measured as follows:

- Financial liabilities at fair value through profit or loss, including derivatives that are liabilities, are measured at fair value.
- Other financial liabilities are measured at amortised cost using the effective interest method.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- Where financial assets and financial liabilities are carried at amortised cost, a gain or loss is recognised in profit or loss through the amortisation process and when the financial asset or financial liability is derecognised or impaired.
- A gain or loss on a financial asset or financial liability classified at fair value through profit or loss is recognised in profit or loss.
- A gain or loss on an available-for-sale financial asset is recognised directly in equity, through the statement of changes in equity, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.

The particular recognition methods adopted are disclosed in the individual policies stated below:

Trade and other receivables

Trade and other receivables are classified as loans and receivables and are carried at amortised cost less any impairments. Impairment is determined on a specific basis, whereby each asset is individually evaluated for impairment indicators. Write-downs of these assets are expensed in profit or loss.

Cash and cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash. Cash and cash equivalents are measured at fair value.

Borrowings

Borrowings are classified as financial liabilities and measured at amortised cost and comprise original debt less principal payments and amortisation.

Directors, managers and employee loans

These financial instruments are classified as held-to-maturity and are carried at amortised cost.

Trade and other payables

Trade and other payables are classified as financial liabilities.

1.7 Taxation

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

Deferred tax assets and liabilities

Deferred taxation is provided using a balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences, unless specifically exempt.

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 goodwill; or
- goodwill for which amortisation is not deductible for tax purposes; or
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - 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 arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused credits can be utilised.

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 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 are 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 tax 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.

1.8 Inventories

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

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.

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 is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the company.

1.9 Leases as lessee

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

1.10 Provisions

Provisions are recognised when:

- the company 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;
- 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.

1.11 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 VAT.

Gross revenue comprises the invoice value of sales of goods and excludes VAT.

1.12 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.

1.13 Employee benefits

Defined contribution plans

The company is a member of a provident fund which provides benefits on a defined contribution basis. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

2. PROPERTY, PLANT AND EQUIPMENT

	2007 R		
	Cost	Accumulated depreciation	Carrying value
Land and buildings	71 644 061	(138 269)	71 505 792
Plant and equipment	177 688 663	(15 813 706)	161 874 957
Furniture and fixtures	2 545 316	(1 095 694)	1 449 622
Motor vehicles	8 248 860	(1 621 193)	6 627 667
Helicopter and yacht	–	–	–
	260 126 900	(18 668 862)	241 458 038

	2006 R		
	Cost	Accumulated depreciation	Carrying value
Land and buildings	1 928 801	(98 594)	1 830 207
Plant and equipment	53 820 778	(11 191 927)	42 628 851
Furniture and fixtures	1 790 627	(563 662)	1 226 965
Motor vehicles	9 336 067	(1 255 675)	8 080 392
Helicopter and yacht	13 490 694	(504 769)	12 985 925
	80 366 967	(13 614 627)	66 752 340

	2006 R		
	Cost	Accumulated depreciation	Carrying value
Land and buildings	1 649 550	(85 052)	1 564 498
Plant and equipment	40 918 076	(7 660 809)	33 257 267
Furniture and fixtures	1 571 134	(316 020)	1 255 114
Motor vehicles	57 594 799	(9 527 515)	48 067 284
	101 733 559	(17 589 396)	84 144 163

Reconciliation of property, plant and equipment – 2007

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land and buildings	1 830 207	69 713 113	–	(37 528)	71 505 792
Plant and equipment	42 628 851	125 233 074	(1 037 904)	(4 949 064)	161 874 957
Furniture and fixtures	1 226 965	690 172	–	(467 515)	1 449 622
Motor vehicles	8 080 392	9 372 657	(9 128 467)	(1 696 915)	6 627 667
Helicopter and yacht	12 985 925	–	(12 817 175)	(168 750)	–
	66 752 340	205 009 016	(22 983 546)	(7 319 772)	241 458 038

Reconciliation of property, plant and equipment – 2006

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land and buildings	1 564 498	429 251	(150 000)	(13 542)	1 830 207
Plant and equipment	33 257 267	12 931 638	–	(3 560 054)	42 628 851
Furniture and fixtures	1 255 114	315 646	–	(343 795)	1 226 965
Motor vehicles	48 067 284	7 052 233	(41 310 996)	(5 728 129)	8 080 392
Helicopter and yacht	–	13 490 694	–	(504 769)	12 985 925
	84 144 163	34 219 462	(41 460 996)	(10 150 289)	66 752 340

Reconciliation of property, plant and equipment – 2005

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land and buildings	1 538 055	38 851	–	(12 408)	1 564 498
Plant and equipment	30 299 990	5 804 714	–	(2 847 437)	33 257 267
Furniture and fixtures	962 486	468 312	–	(175 684)	1 255 114
Motor vehicles	43 287 233	10 157 378	–	(5 377 327)	48 067 284
	76 087 764	16 469 255	–	(8 412 856)	84 144 163

Carrying values of encumbered assets:

	2007 R	2006 R	2005 R
Land and buildings	4 048 323	–	–
Subject to mortgage bonds to be registered (refer Note 10).			
Plant and equipment	6 026 218	10 469 133	1 256 489

Subject to instalment sale agreements (refer Note 10).

A register containing the information of land and buildings as required by paragraph 22(3) of Schedule 4 to the Act is available for inspection at the registered office of the company.

3. PATENTS AND TRADEMARKS

	2007 R		
	Cost	Accumulated impairment	Carrying value
Goodwill	22 050 745	–	22 050 745
Patents and trademarks	29 900	–	29 900
	22 080 645	–	22 080 645

	2006 R		
	Cost	Accumulated impairment	Carrying value
Patents and trademarks	29 900	–	29 900

	2005 R		
	Cost	Accumulated impairment	Carrying value
Patents and trademarks	28 343	–	28 343

4. LOANS TO/FROM SHAREHOLDERS

	2007 R	2006 R	2005 R
G v N Parkin			
Opening balance	18 276 864	–	–
Plus: Advances	19 314 885	20 866 864	–
Interest	2 100 000	710 000	–
Less: Repayments	(39 691 749)	(3 300 000)	–
Closing balance	–	18 276 864	–

The loan bears interest at a rate of 11% per annum.
The loan was repayable on demand.

5. OTHER FINANCIAL ASSETS

Loans and receivables

Marievale Bamford (Pty) Limited	–	4 548 358	3 172 503
Marievale Brickworks (Pty) Limited	–	330 786	331 423
Elgar Share Trust	–	4 799 813	4 737 395
Dalga Trust	–	1 660 645	632 768
Data Haul (Pty) Limited	–	900 000	8 975 875
Fortuna Brickmakers (Pty) Limited	–	554 922	554 922
Brikor Vitro (Pty) Limited	–	914 355	–
Steynol (Pty) Limited	–	502 245	500 000
Brikor Engineering (Pty) Limited	–	206 636	–
Brickor Building Centre (Pty) Limited	–	366 476	–
E-Fuel (Pty) Limited	–	1 232 770	–

The above loans are all unsecured and interest free
and are payable on demand.

Current assets	–	16 017 006	18 904 886
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6. DEFERRED TAX

Deferred tax asset/(liability)

Comprising:

Differences in tax bases of acquired assets from business combinations	(22 050 745)	–	–
Provisions	1 660 515	1 495 365	1 428 376
Excess capital allowances over depreciation	(7 755 275)	(7 650 042)	(12 434 033)
	(28 145 505)	(6 154 677)	(11 005 657)

Reconciliation of deferred tax asset/(liability)

At beginning of year	(6 154 676)	(11 005 657)	(6 193 364)
Resulting from business combinations	(22 050 745)	–	–
Current movement in income statement:			
Rate change	–	366 855	–
Provisions	165 150	114 600	109 469
Capital allowances	(105 234)	4 369 525	(4 921 762)
	(28 145 505)	(6 154 677)	(11 005 657)

	2007 R	2006 R	2005 R
7. INVENTORIES			
Raw materials, components	2 236 827	1 435 011	1 295 764
Work in progress	9 759 965	9 397 259	1 342 320
Finished goods	6 391 548	5 526 094	5 068 508
Consumables	278 130	309 530	306 698
Roof tile pallets	364 231	172 740	–
	19 030 701	16 840 634	8 013 290

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	2 884 358	138 655	8 643 490
Bank overdraft	–	(1 618 058)	–
	2 884 358	(1 479 403)	8 643 490
Current assets	2 884 358	138 655	8 643 490
Current liabilities	–	(1 618 058)	–
	2 884 358	(1 479 403)	8 643 490

The overdraft facility is secured by a cession of trade receivables, cross suretyships by Parkin Mine Enterprises (Pty) Limited and unlimited suretyships from the director, G v N Parkin.

9. SHARE CAPITAL

Authorised

1 000 ordinary shares of R1.00 each	1 000	1 000	1 000
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990 unissued ordinary shares are under the control of the director 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

10 ordinary shares of R1.00 each	10	10	10
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	2007 R	2006 R	2005 R
10. OTHER FINANCIAL LIABILITIES			
At fair value through profit/loss			
Parkin Mine Enterprises (Pty) Limited	78 149 882	3 238 221	9 268 613
The loan in respect of acquisition of plant and land and buildings for R40 871 276 and R37 605 842, respectively, is unsecured and interest free and will be discharged within 12 months by way of the issue of ordinary shares in Brikor.			
Brikor Vitro (Pty) Limited	24 485 774	–	–
The loan in respect of acquisition of plant and equipment and immovable properties for R60 238 763 and R23 860 000, respectively, less payments made, is unsecured and interest free and will be discharged within 12 months by way of the issue of ordinary shares in Brikor.			
G van N Parkin	390 000	–	107 568
The loan is unsecured and interest free and will be discharged within 12 months by way of the issue of ordinary shares in Brikor.			
Held at amortised cost			
Mortgage bonds	4 048 323	–	–
The loans to be secured by land and buildings with a carry value of R8 774 040 (refer Note 2). Current interest is charged at 11.7% per annum and the loans are repayable in monthly instalments of R160 796.			
Instalment sale agreements	5 251 850	8 716 849	48 347 369
The company's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer Note 3.			
The instalment sale liabilities are secured by agreements over plant and equipment, transport and motor vehicles with a carrying value of R6 026 414 (2006: R13 712 014). They currently bear interest at prime less 1% per annum and are repayable in monthly instalments of R240 466 (2006: R403 754) over periods ranging from three to five years.			
	112 325 829	11 955 070	57 723 550
Non-current liabilities			
At fair value through profit/(loss)	–	–	–
At amortised cost	5 595 509	6 683 828	30 119 484
Current liabilities			
At fair value through profit/(loss)	103 025 656	3 238 221	9 376 181
At amortised cost	3 704 664	2 033 021	18 227 885

11. PROVISIONS

Reconciliation of provisions – 2007

	Opening balance R	Utilised during year R	Provisions raised R	Total R
Environmental rehabilitation	5 156 433	–	390 998	5 547 431

Reconciliation of provisions – 2006

	Opening balance R	Utilised during year R	Provisions raised R	Total R
Environmental rehabilitation	4 761 252	–	395 181	5 156 433

Reconciliation of provisions – 2005

	Opening balance R	Utilised during year R	Provisions raised R	Total R
Environmental rehabilitation	4 396 357	–	364 895	4 761 252

	2007 R	2006 R	2005 R
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12. OPERATING PROFIT

Operating profit is stated after:

Operating lease charges

Equipment:

Contractual amounts	24 454 452	14 129 996	18 586 711
Profit/(Loss) on sale of property, plant and equipment	318 418	(1 898 445)	600 000
Depreciation on property, plant and equipment	7 319 773	10 150 289	8 412 858
Employee costs	73 745 262	63 748 017	36 049 452

	2007 R	2006 R	2005 R
13. TAXATION			
Major components of the tax expense/income			
Current			
Local income tax – current period	14 865 680	19 224 309	4 988 449
STC	–	–	93 750
	14 865 680	19 224 309	5 082 199
Deferred			
Originating and reversing temporary differences	(59 916)	(4 484 127)	4 812 294
Change in rate of taxation	–	(366 855)	–
	(59 916)	(4 850 982)	4 812 294
	14 805 764	14 373 327	9 894 493
Reconciliation of the tax expense			
<i>Reconciliation between applicable tax rate and average effective tax rate:</i>			
Applicable tax rate	29.00%	29.00%	30.00%
Disallowable charges	.50%	–	.60%
Change in rate of taxation	–	(.80%)	–
	29.50%	28.20%	30.60%

The income tax rate of 30% in 2005 was reduced to 29% in 2006.

14. AUDITORS' REMUNERATION

Fees	180 000	184 000	120 000
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15. CASH GENERATED FROM/(USED IN) OPERATIONS

Profit before taxation	50 173 144	50 975 693	32 359 738
Adjustments for:			
Depreciation and amortisation	7 319 773	10 150 289	8 412 858
(Profit)/Loss on sale of non-current assets	(318 417)	1 898 445	(600 000)
Net investment income and finance costs	2 989 234	4 550 670	(91 837)
Movements in provisions	390 998	395 181	364 895
Changes in working capital:			
Inventories	(2 190 067)	(8 827 344)	(5 002 180)
Trade and other receivables	(7 636 537)	(3 184 159)	(3 875 499)
Trade and other payables	5 523 275	(3 586 262)	10 890 896
	56 251 403	52 372 513	42 458 871

	2007 R	2006 R	2005 R
16. TAX (PAID)/REFUNDED			
Balance at beginning of year	(21 952 968)	(4 857 462)	68 474
Current tax for year recognised in income statement	(14 865 682)	(19 224 309)	(5 082 199)
Interest	(869 700)	–	–
Balance at end of year	34 962 669	21 952 968	4 857 462
	(2 725 681)	(2 128 803)	(156 263)

17. CONTINGENCIES

Tax consequences of undistributed reserves

Potential STC on remaining reserves, should the company declare the maximum dividend from its available reserves

12 470 067	8 620 412	4 553 483
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Assets of R7 941 000, which are subject to instalment sale agreements, were sold to a related party. The company remains liable for the instalment sale creditors amounting to R4 947 000 until the delegation of the agreement has been approved by the creditor.

18. FIRST-TIME ADOPTION OF IFRS

The company has applied IFRS 1: First-time Adoption of IFRS. These annual financial statements differ from those published in the annual financial statements published for the financial years ended 28 February 2005 and 28 February 2006.

The date of transition was 1 March 2004 and the effect of the transition was as follows:

Reconciliation of equity at 1 March 2004 (date of transition to the new standards)

	As reported under previous SA GAAP R	Effects of transition to IFRS R	IFRS R
Total assets <i>less</i> liabilities not affected	(41 035 734)	–	(41 035 734)
Property, plant and equipment	120 369 065	(44 281 300)	76 087 765
Accounts payable	(8 652 909)	(939 644)	(9 592 553)
Deferred taxation	(8 085 901)	1 892 537	(6 193 364)
Total assets <i>less</i> total liabilities	62 594 521	(43 328 407)	19 266 114
Retained earnings	62 594 511	(43 328 407)	19 266 104

Reconciliation of equity at 28 February 2005

	As reported under previous SA GAAP R	Effects of transition to IFRS R	IFRS R
Total assets <i>less</i> liabilities not affected	(11 702 041)	–	(11 702 041)
Property, plant and equipment	124 586 807	(40 442 644)	84 144 163
Accounts payable	(20 281 126)	(173 980)	(20 455 106)
Deferred taxation	(12 583 009)	1 577 352	(11 005 657)
Total assets <i>less</i> total liabilities	80 020 631	(39 039 272)	40 981 359
Retained earnings	80 020 621	(39 039 272)	40 981 349

Reconciliation of equity at 28 February 2006

	As reported under previous SA GAAP R	Effects of transition to IFRS R	IFRS R
Total assets <i>less</i> liabilities not affected	55 836 216	–	55 836 216
Property, plant and equipment	103 288 558	(36 536 218)	66 752 340
Accounts payable and taxation	(38 812 237)	(37 917)	(38 850 154)
Deferred taxation	(7 666 832)	1 512 155	(6 154 677)
Total assets <i>less</i> total liabilities	112 645 705	(35 061 980)	77 583 725
Retained earnings and revaluation reserve	112 645 695	(35 061 980)	77 583 715

In terms of IAS 16, the residual values of property, plant and equipment must be assessed at each balance sheet date, whilst in terms of SA GAAP the estimated residual values were fixed on recognition of the asset. In addition revaluations were reversed.

A retrospective re-assessment of these residual values and revaluation reversals has resulted in decreased carry amounts and depreciation previously recognised has thus been reduced in a corresponding decrease in equity.

Reconciliation of profit or loss for 2005

	As reported under previous SA GAAP R	Effects of transition to IFRS R	IFRS R
Revenue	229 599 001	–	229 599 001
Cost of sales	(167 255 332)	(2 859 852)	(170 115 184)
Gross profit	62 343 669	(2 859 852)	59 483 817
Other operating income	37 754	600 000	637 754
Operating costs	(34 717 842)	6 864 172	(27 853 670)
Operating profit	27 663 581	4 604 320	32 267 901
Investment revenue	98 315	–	98 315
Financing costs	(6 478)	–	(6 478)
Net profit before taxation	27 755 418	4 604 320	32 359 738
Taxation	(9 579 308)	(315 185)	(9 894 493)
Net profit	18 176 110	4 289 135	22 465 245

Reconciliation of profit or loss for 2006

	As reported under previous SA GAAP R	Effects of transition to IFRS R	IFRS R
Revenue	274 836 994	–	274 836 994
Cost of sales	(179 342 419)	(3 573 224)	(182 915 643)
Gross profit	95 494 575	(3 573 224)	91 921 351
Other operating income	59 244	–	59 244
Operating costs	(43 839 317)	7 385 085	(36 454 232)
Operating profit	51 714 502	3 811 861	55 526 363
Investment revenue	778 062	–	778 062
Financing costs	(5 328 732)	–	(5 328 732)
Net profit before taxation	47 163 832	3 811 861	50 975 693
Taxation	(14 538 758)	165 431	(14 373 327)
Net profit	32 625 074	3 977 292	36 602 366

19. RELATED PARTIES

Relationships	Related party
Entities controlled by directors	Parkin Mine Enterprises (Pty) Limited E-Fuel (Pty) Limited Marievale Bamford (Pty) Limited Brikor Vitro (Pty) Limited Vecto Trade 449 (Pty) Limited Kuvula Trade 40 (Pty) Limited Brickor Building Centre (Pty) Limited Data Haul (Pty) Limited Fortuna Brickmakers (Pty) Limited Steynol (Pty) Limited Dunrose Investments (Pty) Limited Marievale Brickworks (Pty) Limited Dalga Trust Elgar Share Trust
Directors of the company	G v N Parkin T E L Collins (resigned during the 2007 financial year) K E Mathebula H Botha

	2007 R	2006 R	2005 R
Related party balances			
Loan accounts – owing (to)/by related parties			
Brickor Building Centre (Pty) Limited	–	366 476	–
Brikor Vitro (Pty) Limited	(24 485 774)	914 355	2 876 408
Dalga Trust	–	1 660 645	632 768
Data Haul (Pty) Limited	–	900 000	8 975 875
E-Fuel (Pty) Limited	–	1 439 405	–
Elgar Share Trust	–	4 799 812	4 737 395
Fortuna Brickmakers (Pty) Limited	–	554 922	554 922
Marievale Bamford (Pty) Limited	2 226 228	4 548 358	3 172 503
Marievale Brickworks (Pty) Limited	–	330 786	331 423
Steynol (Pty) Limited	–	502 245	500 000
Parkin Mine Enterprises (Pty) Limited	(84 424 443)	3 238 221	9 268 613
G v N Parkin	–	18 276 864	–
Amounts included in trade receivable/(trade payable) regarding related parties			
Brickor Building Centre (Pty) Limited	49 523	–	–
E-Fuel (Pty) Limited	2 712 790	–	–
Brickor Building Centre (Pty) Limited	(7 423)	–	–
E-Fuel (Pty) Limited	(2 972 850)	–	–
Related party transactions			
Purchases from/(sales to) related parties			
Parkin Mine Enterprises (Pty) Limited	21 464	10 346 604	533 529
Parkin Mine Enterprises (Pty) Limited	(8 142 750)	(748 004)	(2 137 004)
Data Haul (Pty) Limited	–	(114 062)	(3 900 985)
Administration fees received from related party			
Parkin Mine Enterprises (Pty) Limited – repairs and maintenance	(1 922 856)	–	–
Rent paid to/(received from) related parties			
Parkin Mine Enterprises (Pty) Limited	36 718 502	–	(2 496 324)
Data Haul (Pty) Limited	–	–	(15 980 532)

20. DIRECTOR'S EMOLUMENTS

Executive directors' (past and present) emoluments

Year ended 28 February 2007	Basic R'000	Motor allowance R'000	Medical aid R'000	Deferred compensa- tion R'000	Total R'000
Garnett van Niekerk Parkin	1 885 000	–	–	–	1 885 000
Hanleu Botha	587 153	120 000	7 363	15 600	730 116
Elias Mathebula	534 297	162 000	14 991	–	711 288
	3 006 450	282 000	22 354	15 600	3 326 404

Year ended 28 February 2006	Basic R'000	Motor allowance R'000	Medical aid R'000	Deferred compensa- tion R'000	Total R'000
Garnett van Niekerk Parkin	1 935 000	–	–	–	1 935 000
Hanleu Botha	508 040	52 836	23 624	10 500	595 000
Elias Mathebula	559 639	148 494	28 583	–	736 716
T E L Collins	807 297	127 496	13 206	7 800	955 799
	3 809 976	328 826	65 413	18 300	4 222 515

Year ended 28 February 2005	Basic R'000	Motor allowance R'000	Medical aid R'000	Deferred compensa- tion R'000	Total R'000
Garnett van Niekerk Parkin	1 595 000	–	–	–	1 595 000
Hanleu Botha	499 746	100 000	18 687	13 000	631 433
Elias Mathebula	455 027	135 000	24 873	–	614 900
T E L Collins	1 038 814	106 999	13 206	5 460	1 164 479
	3 588 587	341 999	56 766	18 460	4 005 812

21. 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.

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 counterparty.

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

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

"The Directors
Brikor Limited
PO Box 410
Springs
1559

23 July 2007

Gentlemen,

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BRIKOR (PTY) LIMITED

Introduction

The definitions commencing on page 12 of this prospectus have been used in this report. Brikor proposes to list on the JSE.

Purpose of this report

At your request, we present our report on the historical financial information of Brikor, for the purposes of complying with the Listings Requirements and for inclusion in the prospectus, dated on or about 27 July 2007.

Responsibility

The directors of Brikor are responsible for the compilation, contents and preparation of the prospectus and for the accuracy of the information contained therein. The directors of Brikor are also responsible for the financial information to which both this reporting accountants' report and the report of historical financial information on Brikor relate and from which such reports have been prepared.

Our responsibility is to express an opinion on the report of historical financial information on Brikor.

Historical financial information for the periods ended 28 February 2007, 28 February 2006 and 28 February 2005

We have audited the historical financial information of Brikor relating to the period ended 28 February 2007, set out in the report of historical financial information attached as Annexure 2, and we have reviewed the historical financial information of Brikor relating to the periods ended 28 February 2005 and 28 February 2006, set out in the report of historical financial information attached as Annexure 2.

Scope of the audit

We conducted our audit in accordance with the International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the historical financial information relating to the period ended 28 February 2007 is free from material misstatement.

Our audit included the following:

- examining, on a test basis, evidence supporting the amounts and disclosures of the abovementioned historical financial information. The evidence included that previously obtained by us relating to the audit of the annual financial statements underlying the historical financial information;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall historical financial information presentation.

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

Scope of the review

We conducted our review in accordance with the International Standards on Review Engagements. This standard requires that we plan and perform the review to obtain moderate assurance that the financial information relating to the periods ended 28 February 2005 and 28 February 2006 are free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit on the periods ended 28 February 2005 and 28 February 2006 and we do not express an audit opinion.

Audit opinion

In our opinion, the historical financial information of Brikor relating to the period ended 28 February 2007, for the purposes of the prospectus give a true and fair view, in all material respects of the financial position of Brikor at 28 February 2007 and the results of its operations and cash flows for the period then ended in accordance with IFRS and in the manner required by the Act and the Listings Requirements.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial position of Brikor at 28 February 2005 and 28 February 2006 and the results of its operations and cash flows for the periods ended 28 February 2005 and 28 February 2006 are not fairly presented, in all material respects, in accordance with IFRS and in the manner required by the Act and the Listings Requirements.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the prospectus to be issued by Brikor in the form and context in which it appears.

Yours faithfully

RSM BETTY & DICKSON (TSHWANE)

Registered Auditors

Chartered Accountants (SA)

Private Bag X22
Brooklyn Square
0075

Per: Paul den Boer

Partner"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE PROFIT FORECAST OF BRIKOR

"The Directors
Brikor Limited
PO Box 410
Springs
1559

23 July 2007

Gentlemen,

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE FORECAST OF THE BRIKOR LIMITED ("BRIKOR")

We have examined the consolidated forecast of Brikor as set out in paragraph 12 of the prospectus for the years ending 29 February 2008 and 28 February 2009.

Directors' responsibility

The directors are responsible for the forecast, including the assumptions set out in paragraph 12.1.3, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements of the JSE Limited, includes: determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast; whether the forecast has been properly compiled on the basis stated and whether the forecast is presented on a basis consistent with the accounting policies of the company or group in question.

Auditors' responsibility

Our responsibility is to provide a limited assurance report on the forecast prepared for the purpose of complying with the Listings Requirements of the JSE Limited and for inclusion in the prospectus. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- the forecast is properly prepared on the basis of the assumptions;
- the forecast is properly presented and all material assumptions are adequately disclosed;
- the forecast is prepared and presented on a basis consistent with the accounting policies of the company or group in question for the period concerned.

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 limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- (i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- (ii) the forecast has not been properly compiled on the basis stated;

- (iii) the forecast has not been properly presented and all material assumptions are not adequately disclosed;
- (iv) the forecast, is not presented on a basis consistent with the accounting policies of the company or group in question.

Actual results are likely to be different from the forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast.

Consent

We consent to the inclusion of this letter and the reference to our opinion in this prospectus to be issued by Brikor in the form and context in which it appears.

Yours faithfully

RSM BETTY & DICKSON (TSHWANE)

Registered Auditors

Chartered Accountants (SA)

Private Bag X22
Brooklyn Square
0075

Per: Paul den Boer
Partner

UNAUDITED *PRO FORMA* INCOME STATEMENT AND BALANCE SHEET

The unaudited *pro forma* income statement and balance sheet are provided for illustrative purposes only to provide information about how the implementation of the Restructure Agreements or group restructuring and the private placement may have impacted on the company's results and financial position. Due to the nature of the unaudited *pro forma* financial information, it may not give a fair presentation of the company's results and financial position after the implementation of the Restructure Agreements or group restructuring and private placement. The unaudited *pro forma* income statement and balance sheet are based on the audited Brikor results at 28 February 2007 as set out in Annexure 2 and reported on by the independent reporting accountants' report in Annexure 3. The unaudited *pro forma* income statement and balance sheet are presented in a manner consistent in all respect with IFRS and with the basis on which the historical information has been prepared in terms of accounting policies. No major adjustments were required to the *pro forma* information. The unaudited *pro forma* income statement and balance sheet should be read in conjunction with the independent reporting accountants' report thereon as set out in Annexure 6. The directors of Brikor are responsible for the preparation of the unaudited *pro forma* financial information of Brikor.

Unaudited *pro forma* income statement reflecting the group restructuring and private placement adjustments:

	Brikor Audited Before 12 months 28 February 2007⁽⁵⁾ R'000	Acquisition of PME 12 months 28 February 2007⁽⁶⁾ R'000	Consolidation adjustments⁽⁷⁾ R'000	Unaudited <i>Pro forma</i> After implementation of restructure agreements and consolidation adjustments 12 months 28 February 2007 R'000	Private placement adjustments⁽⁸⁾ R'000	Unaudited <i>Pro forma</i> After group restructuring and private placement adjustments 12 months 28 February 2007 R'000
Revenue	305 531	36 719	(36 719)	305 531		305 531
Gross profit	89 066	17 877		106 943		106 943
Other income	657	76		733		733
Operating costs	(29 559)	(144)		(29 703)		(29 703)
EBITDA	60 164	17 809		77 973		77 973
Depreciation	(7 320)	(6 459)		(13 779)		(13 779)
Profit before interest and taxation	52 844	11 350		64 194		64 194
Profit/(Loss) on disposal of non-current assets	318	(450)		(132)		(132)
Net interest (paid)/received ^{(2) (4)}	(2 989)	(105)		(3 094)	10 350	7 256
Profit before taxation	50 173	10 795		60 968	10 350	71 318
Taxation	(14 806)	(4 094)		(18 900)	(3 001)	(21 901)
Earnings attributable to ordinary shareholders	35 367	6 701	–	42 068	7 349	49 417
<i>Reconciliation of headline earnings:</i>						
Profit attributable to ordinary shareholders	35 367	6 701		42 068	7 349	49 417
(Profit)/Loss on disposal of non-current assets	(318)	320		94		94
Headline earnings attributable to ordinary shareholders	35 049	7 021	–	42 162	7 349	49 510
<i>Pro forma</i> weighted average shares in issue on which earnings are based ⁽³⁾	–	–	489 000 000	489 000 000	147 000 000	636 000 000
<i>Pro forma</i> earnings per share (cents)	–	–		8.6		7.8
<i>Pro forma</i> headline earnings per share (cents)	–	–		8.6		7.8

Notes:

- (1) The unaudited *pro forma* income statement was prepared on the basis that the implementation of the Restructure Agreements and private placement in terms of the offer for subscription were completed on 1 March 2006 and that a total of R140 million less estimated costs as set out in paragraph 15 of this prospectus were raised for the company.
- (2) The conservative average interest rate used in calculations in terms of interest savings and interest earned on surplus cash, is 7.5%.
- (3) The number of shares issued in terms of the private placement also includes the 7 000 000 shares issued by the company to Exchange Sponsors (Pty) Limited, the Designated Adviser.
- (4) Interest expenditure has been adjusted to account for the estimated interest saving as a result of the private placement as it has been assumed that funds received will be utilised to repay certain debt currently held by the group.
- (5) The Brikor 28 February 2007 figures were extracted from the audited financial statements of the company at that date. The financial statements of Brikor cover a 12-month period. These financial statements were audited by RSM Betty & Dickson (Tshwane) who issued an unqualified audit opinion.
- (6) The PME 28 February 2007 figures were extracted from the audited financial statements of the company at that date. The financial statements of Brikor cover a 12-month period. These financial statements were audited by Fred C Ellis who issued an unqualified audit opinion.
- (7) Consolidation adjustments relate to inter-company sales being eliminated on consolidation.
- (8) The unaudited *pro forma* income statement has not been adjusted for any potential revaluations and allocations that may arise from the application of IFRS 3 as IFRS 3 does not apply as all the entities that form part of the group restructuring were under common control. Goodwill is carried at cost less any accumulated impairment. Goodwill is not amortised.
- (9) The accounting policies of Brikor are consistent and have been applied in the presentation of the *pro forma* financial information. Revised or new standards, interpretations and amendments which may apply subsequent to the date of preparation of the *pro forma* balance sheet and income statement have not been applied in the *pro forma* information presented.

Unaudited *pro forma* balance sheet reflecting the group restructuring and private placement adjustments are set out below:

	Brikor Audited Before 12 months 28 February 2007⁽¹⁾⁽⁵⁾ R'000	PME Audited 28 February 2007⁽⁶⁾ R'000	Brikor implementation of restructure agreements and consolidation adjustments 28 February 2007⁽⁴⁾⁽⁶⁾ R'000	Unaudited <i>Pro forma</i> After implementation of restructure agreements and consolidation adjustments 28 February 2007 R'000	Private placement adjustments⁽²⁾ R'000	Unaudited <i>Pro forma</i> After group restructuring and private placement adjustments 28 February 2007 R'000
ASSETS						
Non-current assets						
Property, plant and equipment	241 458			241 458		241 458
Intangible assets	22 081			22 081		22 081
Investments						
Current assets						
Other financial assets						
Inventories	19 031			19 031		19 031
Trade and other receivables	30 899			30 899		30 899
Cash and cash equivalents ⁽³⁾	2 884		38	2 922	128 701	131 623
Total assets	316 353		38	316 391	128 701	445 092
EQUITY AND LIABILITIES						
Equity						
Share capital ⁽⁴⁾			49	49	15	64
Share premium ⁽⁴⁾			103 015	103 015	137 986	241 001
Retained income	112 951			112 951		112 951
Ordinary shareholders' funds	112 951		103 064	216 015	138 001	354 016
LIABILITIES						
Non-current liabilities						
Mortgage bonds and instalment sale agreements ⁽³⁾	5 595			5 595	(5 595)	
Environmental obligations	5 547			5 547		5 547
Deferred taxation	28 146			28 146		28 146
Current liabilities						
Loan from associated company	103 026		(103 026)			
Current tax payable	34 963			34 963		34 963
Mortgage bonds and instalment sale agreements ⁽³⁾	3 705			3 705	(3 705)	
Trade and other payables	22 420			22 420		22 420
Total liabilities	203 402		(103 026)	100 376	(9 300)	91 076
Total equity and liabilities	316 353		38	316 391	128 701	445 092
<i>Pro forma</i> shares in issue ⁽²⁾⁽⁴⁾			489 000 000	489 000 000	147 000 000	636 000 000
Net asset value per share (cents)				44.2		55.7
Net tangible asset value per share (cents)				39.7		52.2

Notes:

- (1) The unaudited *pro forma* balance sheet was prepared on the basis that the group restructuring and the private placement were completed on 28 February 2007.
- (2) Share capital and share premium have been adjusted for the 140 000 000 new shares issued in terms of the private placement of the offer for subscription and the 7 000 000 ordinary shares issued to Exchange Sponsors (Pty) Limited, the Designated Adviser. The estimated expenses, as set out in paragraph 15 of this prospectus are provided for against the share premium account in the private placement column.
- (3) The non-current and current mortgage bonds and instalment sale agreements and cash and cash equivalents have been adjusted for the cash received in terms of the private placement. The R128.7 million relates to the surplus cash retained by Brikor after certain non-current and current other financial liabilities were repaid. Interest savings on the reduction of the financial liabilities, the bank overdraft and the surplus cash have been calculated and adjusted to the *pro forma* income statement.
- (4) The issued share capital of the company was restructured prior to the private placement as set out in paragraph 24 of this prospectus.

- (5) The Brikor 28 February 2007 figures were extracted from the audited financial statements of the company at that date.
- (6) The PME 28 February 2007 figures were extracted from the audited financial statements of the company at that date.
- (7) The Brikor implementation of the Restructure Agreements column is in terms of paragraphs 28.1, 28.2, 28.3 and 28.4 of this prospectus.
- (8) The unaudited *pro forma* balance sheet has not been adjusted for any potential revaluations and allocations that may arise from the application of IFRS 3 (Business Combinations) as IFRS 3 does not apply. Goodwill is carried at cost less any accumulated impairment. Goodwill is not amortised
- (9) The accounting policies of Brikor are consistent and have been applied in the presentation of the *pro forma* financial information. Revised or new standards, interpretations and amendments which may apply subsequent to the date of preparation of the *pro forma* balance sheet and income statement have not been applied in the *pro forma* information presented.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* INCOME STATEMENT AND BALANCE SHEET

"The Directors
Brikor Limited
PO Box 410
Springs
1559

23 July 2007

Gentlemen,

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF BRIKOR LIMITED ("BRIKOR")

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in Annexure 5 to the prospectus issued in connection with the group restructuring and private placement of 140 000 000 ordinary shares in Brikor ("the private placement") that is the subject of the prospectus.

The *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements ("Listings Requirements"), for illustrative purposes only, to provide information about how the group restructuring and the private placement might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the prospectus and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* information financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Brikor and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the prospectus of Brikor. 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 The South African Institute of Chartered Accountants. 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 Brikor, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate actions that are the subject of the prospectus.

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

While our work performed has involved an analysis of the historical published 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 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 the issuer;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the prospectus to be issued by Brikor in the form and context in which it appears.

Yours faithfully

RSM BETTY & DICKSON (TSHWANE)

Registered Auditors

Chartered Accountants (SA)

Private Bag X22
Brooklyn Square
0075

Per: Paul den Boer
Partner

VENDORS

The following represents a list of the vendors of the material assets acquired by Brikor during the three years preceding the publication of this prospectus:

Nature of asset acquired	Names of vendors	Beneficial shareholders	Acquiring company	Date of acquisition	Addresses of vendor	Amount paid to vendors
PME business as going concern and immovable properties	PME	Elgar Share Trust the beneficiaries of whom are Garnett van Niekerk Parkin and his family	Brikor	28 February 2007	1 Premier Road Olifantsfontein Midrand, 1685	R81 459 270 plus assumed liabilities in the sum of R3 309 388 to be discharged as detailed in paragraphs 28.2.2 and 28.2.3.
Brikor Vitro business as going concern and immovable properties	Brikor Vitro	Elgar Share Trust the beneficiaries of whom are Garnett van Niekerk Parkin and his family	Brikor	28 February 2007	1 Premier Road Olifantsfontein Midrand, 1685	R83 059 685 plus assumed liabilities in the sum of R58 573 911 to be discharged as detailed in paragraphs 28.3.2 and 28.2.3.

Notes:

- (1) Brikor acquired the above material assets as part of a group restructuring with effect from 28 February 2007. The immovable properties referred to above are in the process of being transferred to Brikor.
- (2) None of the assets were acquired by the vendors within three years preceding this prospectus.
- (3) The vendors provided usual warranties to Brikor.
- (4) The selling shareholders have in terms of confidentiality and restraint agreements, undertaken not to conduct business in competition with Brikor for a period of five years from 28 February 2007. No restraint of trade payments were paid by Brikor to the vendors.
- (5) There are no liabilities in terms of accrued taxation for the above acquisitions.
- (6) No promoter had any beneficial interest, direct or indirect, in any of the above transactions.
- (7) No cash or securities were paid or benefit given within the three preceding years or proposed to be paid or given to any promoter, not being a director.
- (8) Save for the immovable properties referred to in paragraph 22.1 of this prospectus, which are in the process of being transferred to Brikor, the assets acquired in the above table have been transferred into the name of Brikor and the assets have not been ceded or pledged.

CORPORATE GOVERNANCE

The directors endorse, and accept full responsibility for, the application of the principles necessary to ensure that effective corporate governance is practised consistently throughout the company. Brikor is committed to the principles of openness to all stakeholders, integrity and accountability and adheres to the Code of Corporate Practices and Conduct (“the Code”) as advocated in the King Code. One of the important objectives of the board would be to find the correct balance between conforming within the parameters of the Code and performing in an entrepreneurial way.

The directors are pro-actively taking steps to ensure that all the elements required to make Brikor fully compliant with the recommendations incorporated in the Code have been implemented. A summary of the current compliance is as follows:

1. BOARD OF DIRECTORS

The board of directors sets the company’s overall policy and provides guidance and input in areas relating to strategic direction, planning, acquisitions, performance measurement, resource allocation, key appointments, standards of conduct and communication with shareholders.

Generally, directors have been and will be nominated based on their calibre, credibility, knowledge, experience and time and attention they can devote to the role. Before nomination, appropriate background checks are performed on proposed new directors. New appointments to the board are submitted to the board for approval prior to appointment. All appointments are formal and transparent and a matter for the board as a whole. New directors are taken through a formal induction programme and are provided with all the necessary background information to familiarise them with issues affecting the board.

The board’s independence from the team responsible for the daily management of Brikor will be maintained by:

- functioning board committees comprised mainly of non-executive directors;
- the non-executive directors not holding fixed term contracts;
- all directors, with prior permission of the board, being entitled to seek independent professional advice and the affairs of Brikor at the company’s expense;
- all directors having access to the advise and services of the Company Secretary;
- the appointment or dismissal of the Company Secretary being decided by the board as a whole and not by one individual director.

The board comprises one independent non-executive director and three executive directors and one alternate director. The non-executive director is fully independent of management and free to make his own decisions and independent judgements. He enjoys no benefits from the company for his services as director, other than his fees and potential capital gains and dividends on his interests in ordinary shares.

The executive directors have fixed terms of appointment which do not exceed five years in duration. The appointment of the non-executive directors is subject by rotation, to retirement and re-election by shareholders at least every three years, in accordance with Brikor’s Articles of Association. A brief CV of each director standing for election or re-election at the annual general meeting will be included in the notice of annual general meeting.

The board retains full and effective control over the company. The board intends to meet at least four times a year with additional meetings called, if necessary or desirable. Information relevant to a meeting will be supplied on a timely basis to the board ensuring directors can make informed decisions. The board is also responsible for monitoring the activities of the executive management.

The company's corporate philosophy is consistent with the principles of the King Report II on Corporate Governance, in that, *inter alia*:

- At present the Chairperson is an executive Director and the role of the Chairperson and the Managing Director are not separated. These are not ALTX requirements.
- At this stage, the company does not have a formal Nomination or Risk Committee. Future appointments to the board will, however, be formal and a transparent matter for the board as a whole.

2. REMUNERATION COMMITTEE

The company currently does not have a Remuneration Committee, as this is not an ALTX requirement.

3. AUDIT COMMITTEE

The Audit Committee will be chaired by a non-executive director and the company's Designated Adviser will be a member thereof. It will be attended by the Financial Director and will be formed for the purposes of monitoring and reviewing:

- the effectiveness of the company's information systems and other systems of internal control;
- the effectiveness of the internal audit function;
- the reports of both the external and internal auditors;
- the annual report and specifically the annual financial statements included therein;
- the accounting policies of the company and any proposed revisions thereto;
- the external audit findings, reports and fees and the approval thereof;
- ensuring that non-audit services will not be obtained from the external auditors where the provisions of such services could impair audit independence;
- compliance with applicable legislation and requirements of regulatory authorities.

The external auditors will have unrestricted access to the Audit Committee and its Chairperson with a view to ensuring that their independence is not impaired.

4. CODE OF ETHICS

The company adheres to a Code of Ethics. The company observes a close period from the end of the reporting period until the announcement of interim and year-end results, during which period neither directors nor employees may deal, directly or indirectly, in the ordinary shares of the company.

5. COMMUNICATION

The company has a policy of open and transparent communication with its ordinary shareholders and other stakeholders and will meet regularly with institutional shareholders, investment analysts and other stakeholders.

SALIENT FEATURES OF THE SHARE INCENTIVE SCHEME

The salient features of the share incentive scheme, which was adopted on 10 April 2007, established as an incentive to promote the continued growth of the group by giving employees an opportunity to acquire shares therein, are set out below:

1. DEFINITIONS

“Acceptance Date”	the date of acceptance by a Participant of an offer for the purchase of Scheme Shares in terms of clause 6 or to acquire Rights and Options to purchase Allocation Shares in terms of clause 23;
“Eligible Applicant”	a person eligible for participation in this Scheme, namely, any Employee of the Group who has not less than 12 months uninterrupted service with the Group or as may be otherwise determined from time to time by the Board as well as a non-executive director of the Company;
“Employee”	an employee of the Group and shall include an executive director of the Group and to whom an offer shall have been directed to acquire Shares;
“Group”	the Company and its subsidiaries;
“Purchase Price”	in relation to Scheme Shares and/or Allocation Shares, an amount equivalent to the middle market price of the Shares on the JSE on the trading day immediately preceding that on which a resolution of the Board is passed for the purposes of allotting Scheme Shares or granting Rights and Options to purchase Allocation Shares. The middle market price of the Shares on the JSE shall be determined by way of a certificate issued by a stockbroker licensed to trade on the JSE;
“Scheme Shares”	Shares purchased by a Participant under this Scheme for as long as the Participant has not made payment in full of his Share Scheme Debt relating to those Shares, which Shares shall rank <i>pari passu</i> in every respect with the existing ordinary issued shares of the Company; and
“Shares”	ordinary shares in the capital of the Company.

2. PURPOSE AND NATURE

This Scheme is introduced for the purpose of providing an opportunity to the employees of the Group to acquire shares in the capital of the Company, either directly or through the grant of options, so as to give such employees the incentive to advance the interests of the Company for the ultimate benefit of all stakeholders in the Company.

3. PURCHASE OF OR SUBSCRIPTION FOR SCHEME SHARES AND/OR ALLOCATION SHARES

The Directors of Brikor shall from time to time instruct the Trustees to offer the opportunity to acquire Rights and Options to purchase Allocation Shares or to acquire Scheme Shares to Eligible Applicants in respect of such number of Shares, which in aggregate, together with any Scheme Shares already in issue and/or the number of Allocation Shares at that time shall not exceed 20 percent of the ordinary issued share capital of the Company at the date of the offer or such increased percentage as may from time to time be approved by the JSE and by the Company in general meeting.

The maximum number of shares which may presently be issued in terms of the Scheme is therefore 89 676 135 Shares, being 20% of the present issued share capital of 448 380 676 Shares. The maximum number of Shares in respect of which any single Eligible Participant shall have rights in terms of the Scheme shall be limited to 1 percent of the ordinary issued share capital of the Company from time to time, provided that the Board may resolve to increase such maximum number of Shares in respect of a single Eligible Participant to not more than 2 percent of the ordinary issued capital of the Company.

The Directors shall forward to the Trustees a certified copy of the resolution authorising an offer of Scheme Shares and/or Allocation Shares to specific Eligible Applicants and the Trustees shall offer the number of Scheme Shares and/or Allocation Shares referred to in such resolution to the Eligible Applicant named in such resolution. Scheme Shares and/or Allocation Shares shall be offered at the Purchase Price referred to above.

4. PRICING

The Trustees shall, on the authority of a resolution of the Board and subject to the provisions of clause 6.2, offer Eligible Applicants the right to purchase Scheme Shares at the Purchase Price, which Purchase Price may be higher or lower than the price at which the Scheme Shares in question were acquired by the Trust.

5. RELEASE PERIOD

All amounts paid by a Participant shall be applied rateably toward payment of the Purchase Price of all of the Scheme Shares which such Participant has purchased unless the Participant allocates, in writing at the time that he makes such payment, the payment to specific Scheme Shares. The balance of the Share Scheme Debt of a Participant may be paid by him to the Trust at any time; provided that the Share Scheme Debt shall be paid in full by no later than the fourth anniversary of the Acceptance Date; provided that further that the Board may, in its discretion, increase the period for repayment stipulated in this clause, either generally or in any particular case.

When the Share Scheme Debt in respect thereof will have been paid in full, a Participant shall, subject to clause 3.16, be entitled to the release of his Scheme Shares from the operation of this Scheme after the expiry of a period of:

- 5.1 one year after the Acceptance Date, in respect of 20 percent of the Scheme Shares, or part thereof;
- 5.2 two years after the Acceptance Date, in respect of a further 25 percent of the Scheme Shares, or part thereof;
- 5.3 three years after the Acceptance Date in respect of a further 25 percent of the Scheme Shares, or part thereof;
- 5.4 four years after the Acceptance Date in respect of a further 30 percent of the Scheme Shares, or the balance of the Scheme Shares.

A Participant's Share Scheme Debt shall bear interest on the balance thereof outstanding from time to time. Such interest shall be at a rate which is not less than the rate of interest stipulated from time to time in terms of the Seventh Schedule to the Income Tax Act, 1962, as amended. The Board may in its discretion alter the rate of interest from time to time; provided that no alteration in the rate shall have retrospective effect.

If the full amount of the Share Scheme Debt is not paid on the due date for payment thereof in terms of the Scheme, the Trustees shall call upon the Participant in writing to effect such payment and if such demand is not complied with within 21 days of the date thereof, the Trustees may cancel the sale and take possession of such Scheme Shares, in which event the Participant shall be released from all further liability in respect of his Share Scheme Debt or the Trustees may, in their sole and absolute discretion, permit the Participant to sell so many of the Scheme Shares as may be necessary to enable the Participant to discharge his Share Scheme Debt so as to procure the release of the remainder of the Scheme Shares to which he is entitled.

6. DEATH, RETIREMENT OR DISABILITY OR RESIGNATION

6.1 Retirement or disability

If a Participant becomes retired in terms of the rules of the Group's pension fund or who retires with the approval of the Board or who becomes permanently incapacitated prior to the fourth anniversary of the Acceptance Date, shall, within two years after his becoming retired or permanently incapacitated, have the right and obligation at his election to pay his Share Scheme Debt in full in respect of all of his Scheme Shares and have them released to him or to have his

Scheme Shares repurchased by the Trustees at the Repurchase Price of the Scheme Shares, in which latter mentioned event such retired or incapacitated Participant shall be released from all liability in respect of his Share Scheme Debt.

6.2. Death

If a Participant dies before the arrival of the fourth anniversary of the Acceptance Date, then at any time before the finalisation of his estate or within two years after his death, whichever is the earlier, the Participant's executor shall have the right and obligation at his election to pay the Share Scheme Debt in full and have the Scheme Shares released or to have such Scheme Shares repurchased by the Trustees at the Repurchase Price of the Scheme Shares, in which latter mentioned event the estate of the Participant shall be released from all liability in respect of the Share Scheme Debt.

6.3 Dismissal

If the employment of a Participant with the Group is terminated by the Group as a result of dishonesty or upon such other grounds as will justify a summary dismissal in law, the Trustees shall forthwith thereafter purchase from the Participant who shall sell to the Trust the Scheme Shares which have then not been released to him at a price equal to the closing price of the Shares on the JSE on the trading day immediately preceding the date of purchase. The Trustees shall apply the proceeds of the sale to repay the Participant's Share Scheme Debt. Any excess of the proceeds over the Share Scheme Debt shall be forfeited to the Trust and the Participant shall be released from any further liability in respect of his Share Scheme Debt.

6.4 Cessation of employment for other reasons

- if a Participant for any reason other than his dismissal, death, retirement or permanent incapacity, does not remain employed by the Group for a period of four years from the Acceptance Date; or
- the Participant remains an Employee of the Group but desires, at any time prior to the expiry of four years from the Acceptance Date, to terminate his participation in the Scheme,

then within a period of 30 days from the date upon which he ceases to be employed by the Group or the date upon which he notifies the Trustees in writing that he no longer wishes to participate as a member of the Scheme, whichever is appropriate, the Trustees in their sole and absolute discretion may repurchase the Scheme Shares from the Participant at the Repurchase Price. The Participant shall in the above events have no further rights or claims against the Trust arising from the acquisition of his Scheme Shares.

7. AMENDMENTS

It shall be competent for the Board and the Trustees to amend any of the provisions of the Scheme provided that:

- 7.1** no such amendment shall affect the vested rights of any Participant;
- 7.2** no such amendment affecting any of the following matters shall be competent unless it is sanctioned by the Company in general meeting:
 - 7.2.1** the eligibility of Participants under this Scheme;
 - 7.2.2** the proportion, expressed as a percentage, which the Shares that may be acquired by the Trustees for purposes of the Scheme, bears to the entire issued ordinary share capital of the Company for the time being;
 - 7.2.3** the maximum number of Scheme Shares that may be acquired by any Participant;
 - 7.2.4** the Purchase Price;
 - 7.2.5** the period within which payment of the Purchase Price is to be made;
 - 7.2.6** the period within which payment of the Scheme Debt is to be made;
 - 7.2.7** the vesting period of the Scheme Shares;

- 7.2.8** the procedure to be adopted on termination of employment or retirement of a Scheme Participant;
- 7.2.9** the voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, attaching to the Scheme Shares;
- 7.2.10** any amendment of clause 15.2.

8. TRUSTEES

There shall at all times be a minimum of two Trustees in office Philippina Maria McDonald, Identity Number 5608210036088 and Fredrick Charles Ellis, Identity Number 5210295141089 (not being salaried directors or Employees of the Group) are appointed as Trustees of the Trust and accept that appointment by their signatures hereto.

No Trustee shall be eligible for participation under the Scheme.

9. ANNUAL DISCLOSURE

The Company shall in its annual financial statements, provide particulars of:

- 9.1** the number of Scheme Shares which have been taken up by Participants in terms of offers made to them and which Scheme Shares are subject to the Scheme;
- 9.2** any changes in the number of Scheme Shares which have been taken up by Participants during the year;
- 9.3** the number of Scheme Shares initially taken up by Participants as Scheme Shares and which during the year have ceased to be Scheme Shares;
- 9.4** the Purchase Price at which Employees were offered Scheme Shares during the year and the total number of Scheme Shares taken up by Eligible Applicants at such Purchase Price;
- 9.5** the total number of Scheme Shares still available to be taken up by Eligible Applicants in terms of the Scheme;
- 9.6** the aggregate amount owing by Participants to the Trust at the end of each year.



Brikor Limited

(Incorporated in the Republic of South Africa)

(Registration number 1998/013247/06)

(JSE code: BIK ISIN: ZAE000101945)

("Brikor" or "the company")

PRIVATE PLACEMENT APPLICATION FORM

In respect of the private placement by way of subscription of 140 000 000 Brikor ordinary shares at an issue price of 100 cents per share and an offer for the sale of 100 000 000 ordinary shares by the selling shareholders at a sale price of 100 cents per share, registered in terms of the prospectus issued on 27 July 2007 ("this prospectus")

Please refer to the instructions overleaf before completing this private placement application form.

Certificated shares – payment by bank guaranteed cheque or banker's draft

Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of **bank guaranteed cheque or banker's draft** must complete and return this private placement application form, together with their payment in the form of a bank guaranteed cheque or banker's draft (crossed "not transferable" and drawn in favour of "**Brikor Limited Private Placement**") in an envelope marked "**Brikor Private Placement**" to:

if delivered by hand or by courier:

Designated Adviser
Exchange Sponsors (Pty) Limited
39 First Road
Hyde Park
Johannesburg
2196

if posted:

Designated Adviser
Exchange Sponsors (Pty) Limited
PO Box 411216
Craighall
2024

Certificated shares – payment by electronic transfer

Applicants who elect to receive their allocated shares in certificated form and who wish to pay by way of **electronic transfer** may do so, in which case the **private placement application and proof of such payment by electronic transfer must be hand delivered, posted or faxed to Brikor (and not the transfer secretaries) to:**

if delivered by hand:

Designated Adviser
Exchange Sponsors (Pty) Limited
39 First Road
Hyde Park
Johannesburg
2196

if posted:

Designated Adviser
Exchange Sponsors (Pty) Limited
PO Box 411216
Craighall
2024

if faxed:

Designated Adviser
(011) 447 1929

so as to be received by no later than 12:00 on Tuesday, 31 July 2007.

Payment by electronic transfer must be made into the following bank account:

Bank: First National Bank
Branch: Gauteng East
Branch code: 252 142
Account name: Brikor Limited Private Placement
Account number: 62 143 150 689
Account type: Current

Brikor accepts no responsibility and will not be liable for the correct or any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or Brikor, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

Dematerialised shares – payment by electronic transfer or through CSDP or broker

Applicants who elect to receive their allocated shares in dematerialised form and who wish to pay by way of **electronic transfer** must do so, in which case the **private placement application and the section on their Central Securities Depository Participant ("CSDP") or broker must be completed and stamped or signed by the relevant CSDP or broker and proof of such payment by electronic transfer must be hand delivered, posted or faxed to:**

if delivered by hand:

Designated Adviser
Exchange Sponsors (Pty) Limited
39 First Road
Hyde Park
2196

if posted:

Designated Adviser
Exchange Sponsors (Pty) Limited
PO Box 411216
Craighall
2024

if faxed:

Designated Adviser
(011) 447 1929

so as to be received by no later than 12:00 on Tuesday, 31 July 2007.

Payment by electronic transfer must be made into the following bank account:

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Account name: Brikor Limited Private Placement
Account number: 62 143 150 689
Account type: Current

Brikor accepts no responsibility and will not be liable for the correctness of any allocation of private placement shares pursuant to payment being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or Brikor, for any reason, not being able to reconcile a payment or purported payment with a particular application for private placement shares.

Applicants, who wish to receive their allocated shares in dematerialised form, can also complete and return this private placement application form to their duly appointed CSDP or broker by the time and date stipulated in the agreement governing their relationship with their CSDP or broker, together with the method of payment as stipulated in such agreement.

NO LATE APPLICATIONS WILL BE ACCEPTED.

Reservation of rights

The directors of Brikor reserve the right to accept or refuse any application(s), either in whole or in part, or to *pro rate* any or all application(s) (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine.

The directors of Brikor reserve the right to accept or reject, either in whole or in part, any private placement applications should the terms contained in this prospectus of which this private placement application form forms part and the instructions herein not be complied with.

Applications must be for a minimum of 5 000 shares and multiples of 1 000 shares thereafter.

To the Directors**Brikor Limited**

1. I/We, the undersigned, confirm that I/we have full legal capacity to contract and, having read this prospectus, hereby irrevocably apply for and request you to accept my/our application for the undermentioned number of shares in Brikor at 100 cents per share or any lesser number that may, in your absolute discretion, be allotted to me/us, subject to the Articles of Association of Brikor.
2. I/We wish to receive our allocated shares in dematerialised form and will hand this private placement application form to our appointed CSDP or broker. I/We accept that payment in respect of these applications will be, in terms of the custody agreement entered into between me/us and our CSDP or broker, on a delivery versus payment basis. (Delete if not applicable.)
3. I/We wish to receive our allocated shares in certificated form and commit to accept the physical share certificate. Accordingly I/We hereby enclose a crossed cheque/banker's draft in favour of "**Brikor Limited Private Placement**" for the appropriate amount due in terms of this application. (Delete if not applicable.)
4. I/We understand that the subscription for or purchase of shares in terms of this prospectus is conditional on the granting of a listing of the shares of Brikor, by Tuesday, 7 August 2007 or such later date as the directors may determine, on the Alternative Exchange (ALTx) of the JSE Limited.

Dated _____ 2007 Telephone number () _____

Signature _____

Assisted by (where applicable) _____

Surname of individual or Name of entity	Mr Mrs Ms Other title
First names (in full)	
To be completed by all applicants Postal address (Preferably PO Box address) Refund cheque and/or share certificate, if applicable, will be sent to this address	
Telephone number ()	
Total number of ordinary shares applied for Note: Minimum number of 5 000 shares and thereafter in multiples of 1 000 shares	(Enter figures only – not words)
Total amount of cheque or banker's draft to cover ordinary shares applied for herein at 100 cents per share	R (Enter figures only – not words)

Section must be completed if shares required in dematerialised form. Required information must be obtained or completed by CSDP or broker.

CSDP name	
CSDP contact person	
CSDP contact telephone number	()
CSA or bank CSD account number	
Scrip account number	
Settlement bank account number	
CSDP signature or stamp	

This application will constitute a legal contract between Brikor and the applicant. The issuer of the shares is Brikor. Application forms for certificated or uncertificated shares will not be accepted unless the above information has been furnished.

Instructions:

1. Applications may be made on this private placement application form only. Copies or reproductions of this private placement application form will be accepted.
2. Applications are irrevocable and may not be withdrawn once submitted to the Designated Adviser, transfer secretaries, CSDP's or brokers.
3. All CSDP's and brokers will be required to retain this application form for presentation to the directors if required.
4. Please refer to the terms and conditions of the private placement set out in paragraph 10 of this prospectus. Applicants should consult their brokers, bankers or other professional advisers in case of doubt as to the correct completion of this private placement application form.
5. Applications must be for a minimum of 5 000 shares and thereafter in whole multiples of 1 000 shares.
6. Applicants who wish to receive their shares in uncertificated form and who do have a CSDP or broker must do so in terms of the custody agreement entered into between them and their CSDP or broker on a delivery versus payment basis.
7. Applicants who wish to receive their shares in certificated form must submit only one private placement application form and one bank guaranteed cheque or banker's draft in respect of each application. Payment may also be by way of electronic transfer as set out above. To the extent that more than one application is submitted, the first private placement application form received will be the one in respect of which Brikor shares will be allocated in terms of this prospectus and further application form(s) will be ignored. The application monies applicable thereto will be held by the transfer secretaries and returned without interest to the applicants concerned with all other returned cheques in terms of this prospectus at the applicant's risk. Postal orders, cash or telegraphic transfers will not be accepted.
8. No receipts will be issued for application forms, application monies or any supporting documentation and applications will only be regarded as complete when the relevant cheque/banker's draft has been paid. All monies will be deposited immediately for payment. If a receipt is required, shareholders or lodging agents are required to prepare special transaction receipts for application forms lodged.
9. If any cheque or banker's draft is dishonoured, the company may, in its sole discretion, regard the relevant application as invalid or take such other steps in regard thereto as it may deem fit.
10. All alterations on this private placement application form must be authenticated by full signature.
11. Brikor will use the "certified transfer deeds" and other temporary "documents of title" procedure approved by the JSE Limited and therefore will issue only a "block" certificate for the shares allotted in terms of this application for the applicant who requests a share certificate.
12. Blocked Rand may be used by emigrants and non-residents of the common monetary area (comprising the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho) for payment in terms of a private placement application and reference should be made to paragraph 10.12 of this prospectus which deals with Exchange Control Regulations.

www.brikor.co.za