

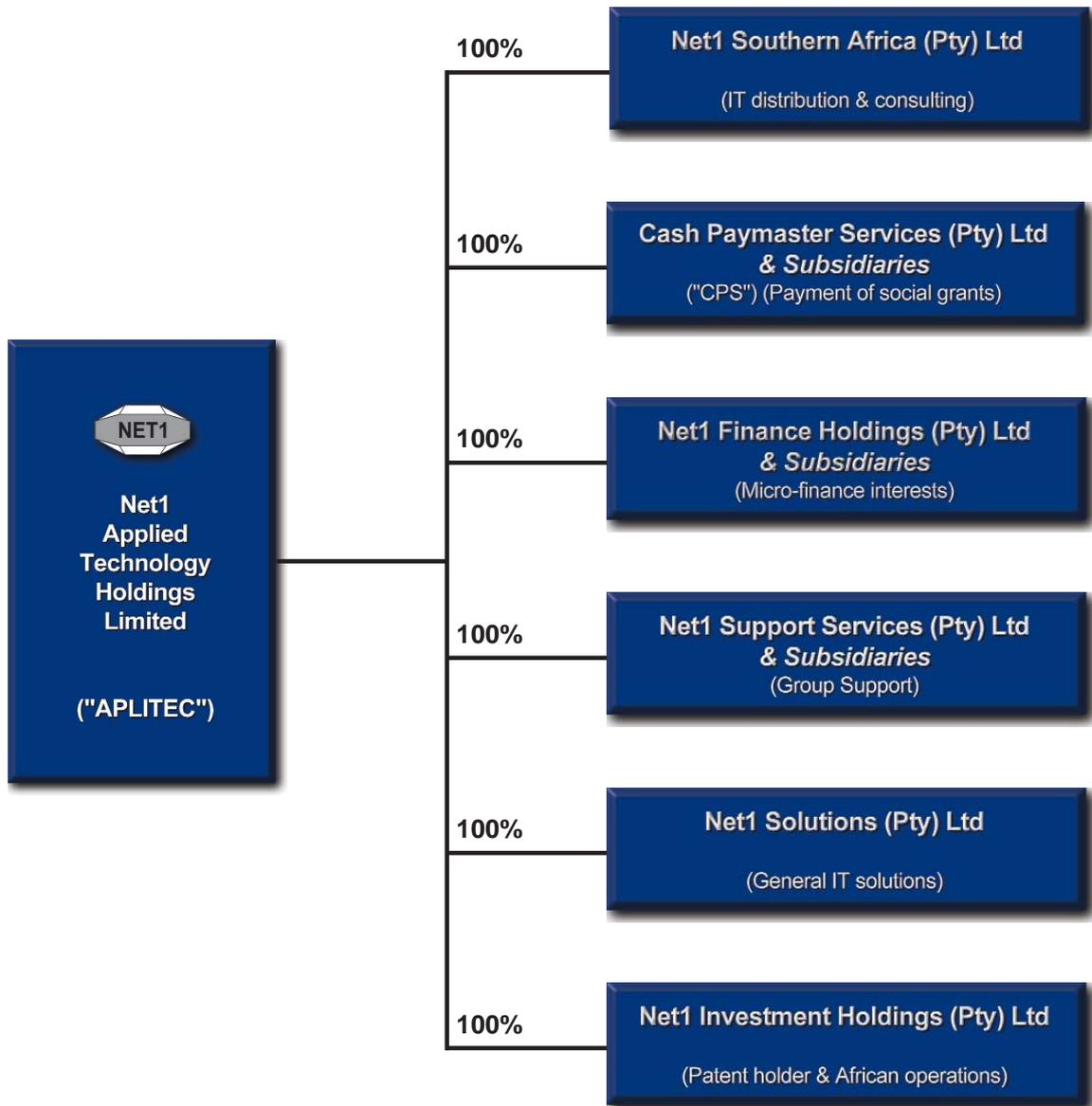
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MISSION STATEMENT

“To provide a secure, universal and affordable transacting system for all, utilising existing infrastructures, that will enable the majority of people unqualified access to previously inaccessible goods and services, resulting in the upliftment of their lifestyles, whilst opening up new, low risk and profitable markets for the suppliers concerned.”

GROUP STRUCTURE



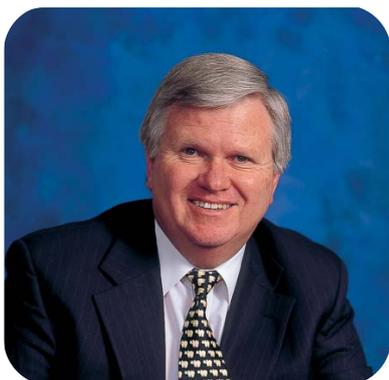
BOARD OF DIRECTORS



Serge Christian Pierre Belamant *
Chief Executive Officer



Herman Gideon Kotzé
BCom (Hons) CA(SA), HDip Tax, CTM
Chief Financial Officer



David Alexander John Donald
BCom CA(SA), HDip Tax Law
Non-executive Director



Jeffrey Charles Livingstone
BCom CA(SA), HDip Tax Law
Non-executive Director



Barry John Stuart Hore
BCom AMP (Harvard)
Non-executive Director



Derek Geoffrey Sidney Muller
BCom CA(SA), AMP (Harvard)
Non-executive Director

* French

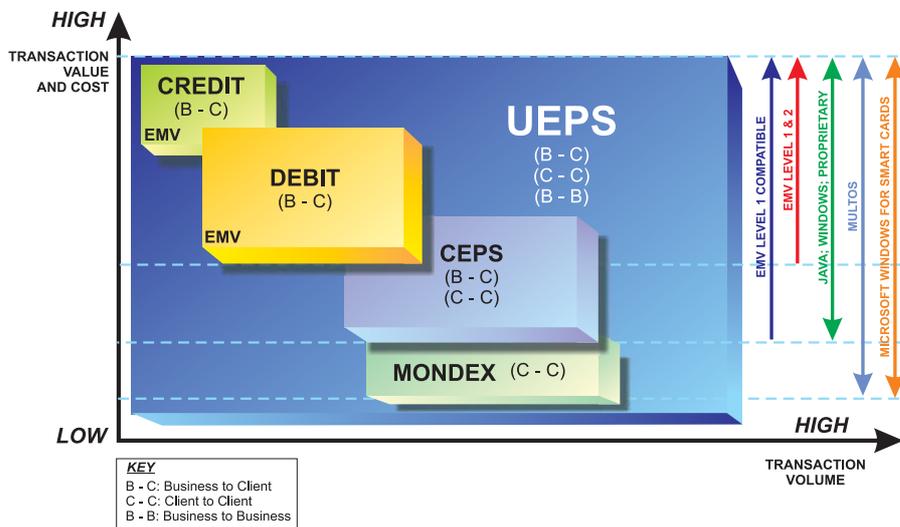
STATEMENT OF THE CHIEF EXECUTIVE OFFICER



*Serge Christian Pierre Belamant**

I am delighted with the achievements of the Aplitec group and its staff for the year ended 30 June 2001, as reflected by the profitable income statement, strong balance sheet and impressive cash flow statement presented as part of this annual report.

During the year under review, Aplitec has made great strides in deploying its technology outside of the payment of welfare benefits and beyond the borders of South Africa. Pension and welfare tenders have always been awarded on a three to five year contract period by the various provincial governments. However, it has been well publicised that the South African government intends to centralise all its social security activities, thereby controlling the norms and standards associated with the delivery of all its services. In addition, the Departments of Home Affairs and Communications have embarked on the design and implementation of the Home Affairs National Identification System ("Hanis") project, which aims to deliver a smart card to all South Africans. This card will primarily act as an identity document, but could also be utilised for the management, payment and distribution of benefits and grants to millions of Social Welfare beneficiaries. Although these initiatives create huge opportunities for the Aplitec group, they also pose some risks which must be managed to secure Aplitec's current client base in the future. I am of the opinion that it would be unwise to await the outcome of these government initiatives before developing and implementing a strategic plan that will protect and capitalise on Aplitec's current infrastructural investments.



Aplitec has therefore accelerated the implementation of its mission to bank as many of its current customers as possible, in order to ensure their long term loyalty and support. The process is driven through Age Secure, a new division of Aplitec, whose mission is to provide banking facilities and products to the elderly people of South Africa.

These products incorporate an intrinsic banking account, securised by leading financial institutions, a flexible savings facility, insurance, refinancing of debt and numerous other transacting functions that cater for the lifestyle of the people concerned.

This new, exciting and universal alternative banking system is delivered entirely through the FTS (Funds Transfer System) / UEPS (Universal Electronic Payment System) technology owned by Aplitec. This innovative system solves the existing problems faced by government in this area and delivers products and services to the poorest of the poor, at a cost which is the most competitive in the market. Aplitec's success in its initial pilot project in the Northern Cape is currently being repeated through a mass implementation in KwaZulu Natal, proving that such a solution has been long awaited by millions of South Africans.

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

(continued)

The envisaged high conversion rate of elderly people to Age Secure will minimise the risk to which Aplitec could be exposed in the future, as all pensioners and beneficiaries that are converted to the new system are currently excluded from pension and welfare payment tenders. In addition, the potential revenue streams that can be generated from this initiative could be as much as three times higher than the current income derived from the distribution and payment of social welfare grants.

Aplitec's drive to provide banking facilities to all is further augmented by the introduction of the Wage Payment System ("WPS"), which targets all working citizens that are either un-banked, under-banked or cannot afford the traditional methods of banking and transacting. WPS is a system that eliminates the inherent risks and administrative issues associated with the payment of cash wages, cheques and the transferring of wages into unwelcome and expensive traditional banking accounts.



Both unions and employers who have the interest of their members or employees at heart, recognise this product as the long-awaited technological solution which will make a significant difference to the living standard of millions of working South Africans. The technology not only empowers the individual, but also facilitates the local introduction of concepts such as Community Banks and Credit Unions by providing an off-line based, fully auditable and controllable system.

This enabling technology will lead to the formation of a powerful consumer driven financial industry, interlinked by the most advanced technology in the world today.

In addition to the above achievements, Aplitec has made significant progress in the internationalisation of its products and technology. This development is hugely significant to the acceptance of the FTS/UEPS standard on a world-wide basis. Aplitec has already implemented systems in Ghana, Rwanda, Burundi, Latvia and Malawi. These systems range from traditional switching and settlement products to more advanced banking platforms that have the potential to deliver the functionality required by the majority of people in Central Europe, the Middle East and the African continent.

Automatic Recovery					✓
Transaction Cancellation	✓	✓			✓
Transaction Reversal					✓
Reloadability	✓	✓	✓	✓	✓
Full Audit Trail	✓	✓	✓		✓
Dual Audit Trails					✓
Off-line Loading					✓
Cash Load Facility					✓
Multiple Wallets				✓	✓
Pre-paid Utilities					✓
Loss Tolerance	✓	✓			✓
Off-line Settlement					✓
	EMV		CEPS	MONDEX	UEPS

Aplitec targets the countries that do not share a border with South Africa in association with Net1 Holdings SARL, the holder of the FTS patents for the world except for South Africa and its surrounding territories. In these cases, Aplitec takes on the role of systems integrator and delivers turnkey solutions to the customer. In Malawi, for example, Aplitec was awarded two significant tenders during the year under review.

The first tender was for the provision, installation and commissioning of a National Switching System and the second tender for a National Smart Card Payment System using the UEPS technology.

Over the last six months, Aplitec staff members have been involved in all aspects of the implementation, from the definition of the business plan to the marketing of the concept and final products to the Malawian population. Aplitec's dedication and service excellence has greatly contributed to the impending launch of a National System that will take its place as a world first in the history of alternative banking.



The support shown to Aplitec by the Malawian Central Bank and its operating arm Malswitch, has led to a flood of demands for proposals from a number of other countries, such as Uganda, Zimbabwe, Mozambique, Tanzania, Kenya, Ethiopia and Nigeria. Further discussions have also taken place to propose a solution for the territories of Senegal, Ivory Coast, Mali, Niger, Benin and Cameroon which fall under a joint Central Bank initiative.

When critical mass has been reached in terms of the number of countries that have implemented Aplitec's payment solution, cross border spending and settlement could easily occur, thus creating a new and modern payment instrument for Africa not unlike Europay in Europe. Aplitec's technological solutions for all developing economies can therefore create a new standard focused on providing a payment solution to the under-served people of the world.

Hernando de Soto, author of the best seller *The mystery of capital or why does capitalism fail everywhere except in the West*, wrote "...developing economies do not know the process or have no process that allows them to convert the assets of the poor into liquid capital."

Aplitec's technological solution will create a process that will enable the financial strength of the masses to be used for their own benefit and will supply the proof required by the formal sector of the many lucrative but informal businesses that play critical roles in South Africa. In my view, this is what empowerment is really about: The improvement of living conditions and access to opportunities to all citizens!

In conclusion, I want to thank everyone contributing to the success of the Aplitec vision; it is through your efforts that the group can and will sustain its growth in the future. I would also like to offer my gratitude to the members of the board of Aplitec for their insight and continuing support.

Serge Christian Pierre Belamant

Chief Executive Officer

C O R P O R A T E G O V E R N A N C E S T A T E M E N T

The group subscribes to, and in all material respects complies with the Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance. The directors endorse the objectives of conducting the affairs of the group with integrity and in accordance with the highest standards of corporate practice.

BOARD OF DIRECTORS

Companies within the group have unitary board structures. The boards meet regularly to consider all matters relating to the overall control, business performance and strategy of the company. Each board reserves itself to a range of key decisions to ensure it retains proper direction and control of the company.

Directors' emoluments are disclosed in the directors' report and notes to the financial statements.

NON-EXECUTIVE DIRECTORS

The company has a balance of executive and non-executive directors. Non-executive directors are chosen for their independence, business acumen and skills pertinent to the business, bringing a broad range of views and experience to board deliberations. They are appointed for specific terms and re-appointment is not automatic. The board as a whole has been mandated by its shareholders to deal with the selection and appointment of non-executive directors.

EXECUTIVE DIRECTORS

Service contracts do not exceed five years in duration, except where a longer period has been approved by a general meeting of the company.

COMPANY SECRETARY AND PROFESSIONAL ADVICE

The company secretary is responsible to the board for ensuring that board procedures are followed. Board members have access to the company secretary for any further information they require.

All directors receive regular information about the company. Independent professional advice is available to directors in appropriate circumstances, at the company's expense.

AUDIT COMMITTEE

The audit committee comprises of two non-executive directors (one of whom chairs the committee) and one executive director. The external auditors are invited to attend all meetings. The committee's main objective is to ensure that effective internal controls are maintained. The committee also reviews the company's financial statements, important accounting issues, pending litigation, accounting policies, audit reports and compliance procedures.

REMUNERATION COMMITTEE

The remuneration committee comprises of a non-executive director (who chairs the committee) and an executive director. The committee meets at least once a year and is responsible for reviewing and approving the remuneration and terms of employment of all executive directors and senior management.

INTERNAL CONTROL SYSTEMS

The directors are responsible for the group's internal control systems, which are designed to provide reasonable, but not absolute assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of assets.

The key procedures that the directors have established to provide effective internal controls are as follows:

- Corporate objectives and the group's code of ethics are communicated to all staff.
- A clear organisational structure exists, detailing lines of authority and responsibilities.
- The group takes significant care in the selection of its employees, who are then provided with the opportunity of appropriate training to ensure their future development.
- A management accounting system is in place providing both key financial and operational performance indicators to executive management.
- Business controls are reviewed on an ongoing basis by the executive management. Actions are taken to address control deficiencies and other opportunities for improving systems as they are identified.

The board of directors has reviewed the effectiveness of the group's internal control systems considering the processes as set out above. Nothing has come to the attention of the directors or the external auditors to indicate that any material breakdown in the functioning of these controls and systems took place during the year under review.

WORKER PARTICIPATION

The group has 2 392 (2000 : 2 153) employees. The group employs a variety of participating structures on issues which affect employees directly and materially, and which are designed to achieve good employer/employee relations through effective sharing of relevant information, consultation and the identification and resolution of conflicts. These structures embrace goals relating to productivity, career security, legitimacy and identification with the group. An affirmative action programme forms part of the group's training programme and business plan and the group is committed to providing equal opportunities for its employees regardless of their ethnic origin or gender.

INSURANCE AND RISK MANAGEMENT

The group assesses annually with its insurance brokers the risk exposure relating to the assets of, and possible liabilities from, its operations. At the end of the financial year under review all risks were adequately covered, except where the premium cost was considered excessive in relation to the probability and extent of a loss. All insured assets are insured at current replacement values.

CODE OF ETHICS

The group is committed to the highest standard of integrity, behavior and ethics in dealing with all its stakeholders. Directors and staff are expected to carry on ethical and fair business practices as set out in the group's code of ethics.

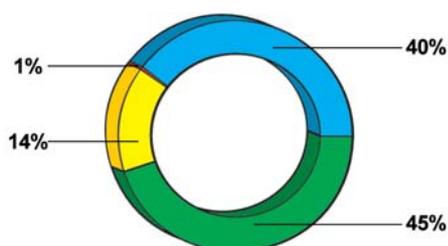
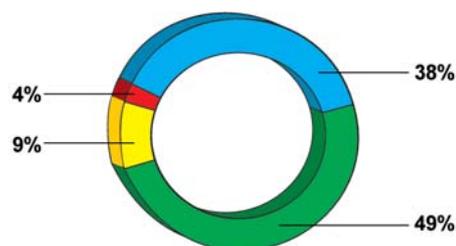
GROUP VALUE-ADDED STATEMENT

	2001	Group		
	R'000	%	2000	
WEALTH CREATED				
Group revenue	557 445		436 860	
Cost of materials and services	268 597		204 073	
Value added	288 848		232 787	
Interest received	11 940		11 560	
Total value added	300 788		244 347	
WEALTH DISTRIBUTED				
Employees				
Salaries, wages and related benefits	134 002	45	119 427	49
Providers of capital				
Interest paid	954	1	9 479	4
Minority interests	1 084		5 969	
Government				
Tax paid (note 1)	43 617	14	22 683	9
Re-invested in the group				
Depreciation and amortisation	27 944	40	92 758	38
Accumulated profit	93 187		59 558	
	300 788	100	244 347	100

NOTE TO THE GROUP
VALUE-ADDED STATEMENT

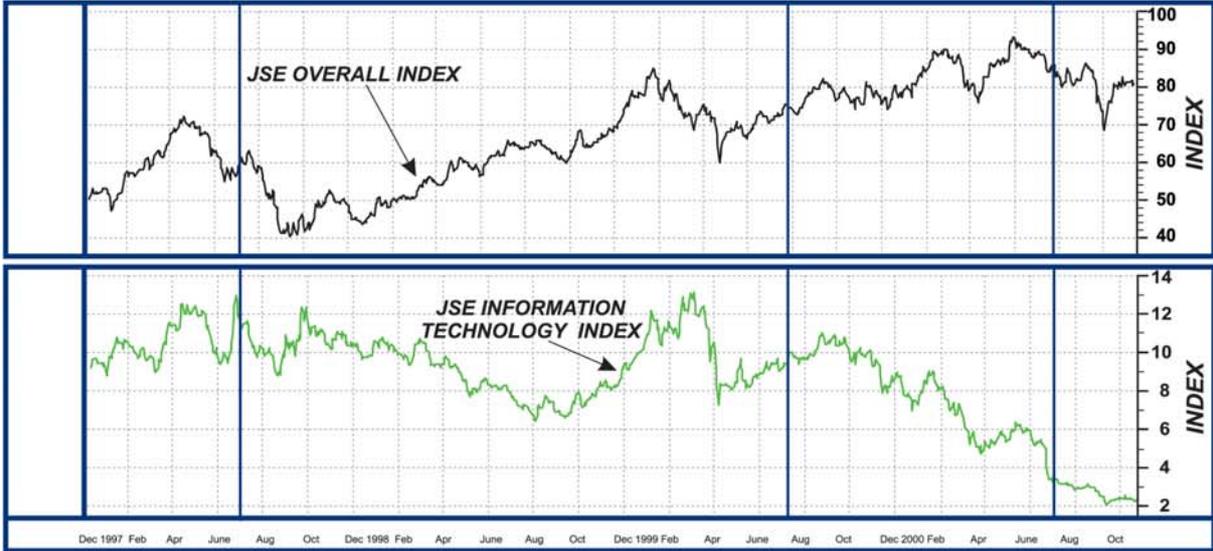
1. Tax paid

Normal South African company tax	42 211	21 417
Secondary tax on companies	260	-
Foreign taxes (Namibia)	-	349
Regional Service Council levies	1 146	917
	43 617	22 683

2001 WEALTH DISTRIBUTED2000 WEALTH DISTRIBUTED

LEGEND: ■ Employees ■ Government ■ Providers of capital ■ Re-invested in the group

SHARE PRICE HISTORY



SENIOR MANAGEMENT



Serge Belamant



Herman Kotzé



Brenda Stewart



Shaun Turner



Chris Britz



Derek McCallum



Nitin Soma



Anja Lewington



Ronnie van Rensburg



Willem Joubert



Mazwi Yako



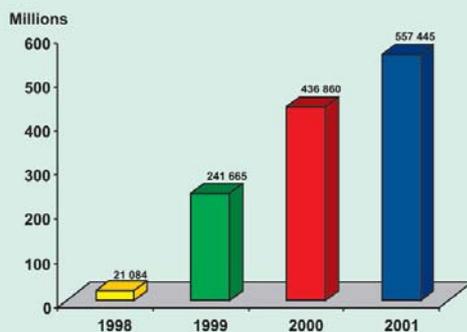
Sarel Etsebeth



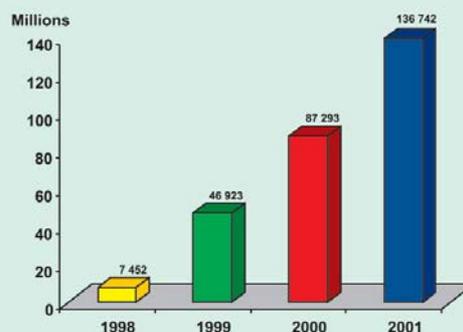
Chris Saaiman

HIGHLIGHTS

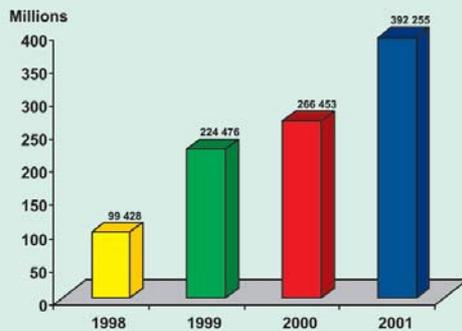
REVENUE



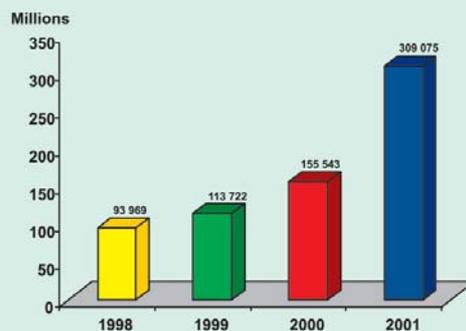
PROFIT BEFORE TAX



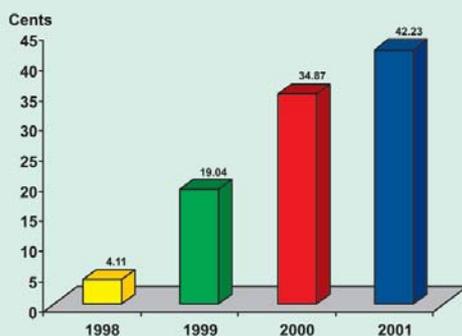
TOTAL ASSETS



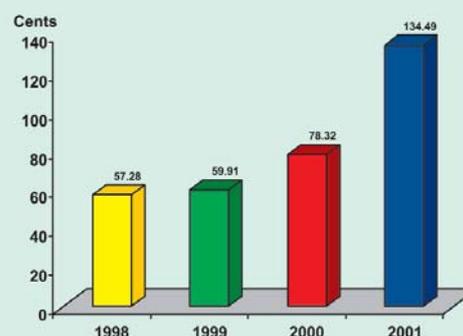
CAPITAL AND RESERVES



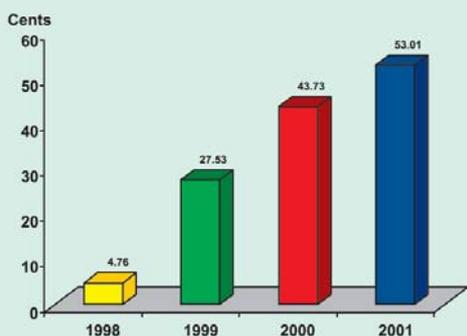
HEADLINE EARNINGS PER SHARE



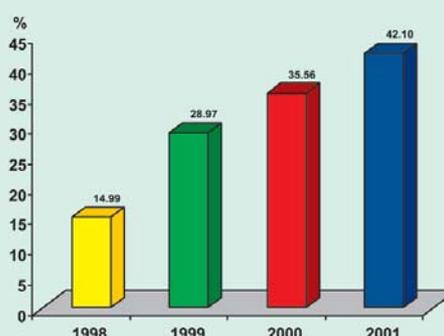
NET ASSET VALUE PER SHARE



CASH EQUIVALENT EARNINGS PER SHARE

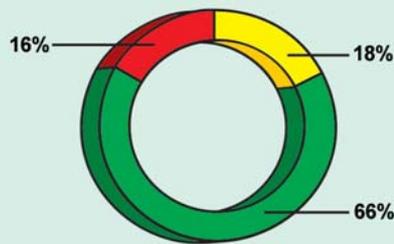
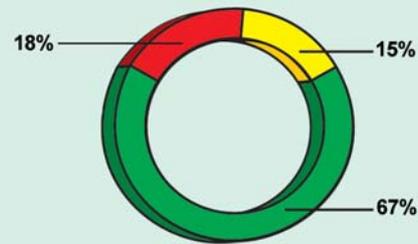
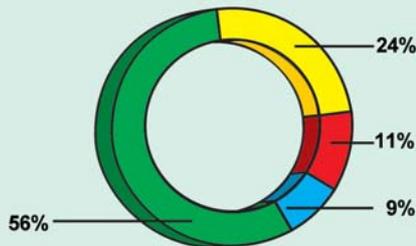
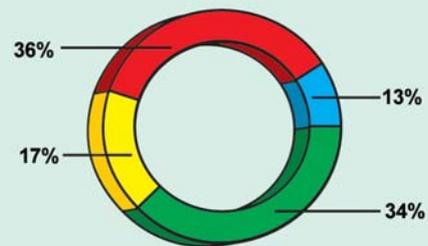
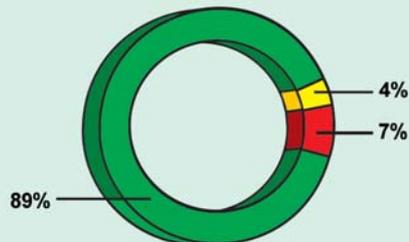
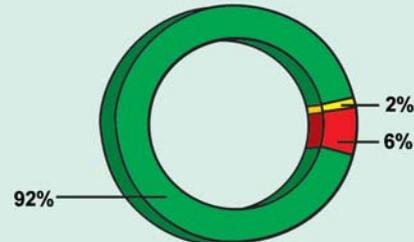


RETURN ON AVERAGE ASSETS



SEGMENTAL ANALYSIS

	Revenue		Profit before tax		Non-current assets	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000	2001 R'000	2000 R'000
Transaction-based activities	366 538	291 265	76 360	29 325	66 310	54 865
Technology sales, maintenance and outsourcing	98 993	66 743	33 749	15 068	2 800	909
Financial services	91 914	78 852	14 693	31 340	5 179	3 791
Investments	-	-	11 940	11 560	-	-
	557 445	436 860	136 742	87 293	74 289	59 565

2001 SEGMENTAL REVENUE**2000 SEGMENTAL REVENUE****2001 SEGMENTAL PROFIT BEFORE TAX****2000 SEGMENTAL PROFIT BEFORE TAX****2001 SEGMENTAL NON-CURRENT ASSETS****2000 SEGMENTAL NON-CURRENT ASSETS****LEGEND**

■ Transaction-based activities	■ Financial services	■ Technology sales, maintenance and outsourcing
	■ Investments	

FOUR YEAR REVIEW

	2001 R'000	2000 R'000	1999 R'000	1998 R'000
Group income statement				
Revenue	557 445	436 860	241 665	21 084
Profit from operations	125 756	79 243	32 703	3 445
Profit before tax	136 742	87 293	46 923	7 452
Profit after tax	94 271	65 527	32 774	4 798
Net profit for the year	93 187	59 558	29 774	4 798
Group balance sheet				
Non-current assets	74 289	59 565	59 623	14 415
Current assets	317 966	206 888	164 853	85 013
Total assets	392 255	266 453	224 476	99 428
Capital and reserves	309 075	155 543	113 722	93 969
Minority interests	1 580	6 813	3 195	-
Non-current liabilities	-	-	26 257	759
Current liabilities	81 600	104 097	81 302	4 700
Total equity and liabilities	392 255	266 453	224 476	99 428
Financial ratios				
Operating profit margin (%)	22.56	18.14	13.53	16.34
Headline earnings per share (cents)	42.23	34.87	19.04	4.11
Earnings per share (cents)	41.42	30.27	16.42	4.11
Dividend per share (cents)	-	-	1.5	-
Net asset value per share (cents)	134.49	78.32	59.91	57.28
Cash equivalent earnings per share (cents)	53.01	43.73	27.53	4.76
Return on average shareholders' funds (%)	40.11	44.24	28.67	10.21
Return on average assets (%)	42.10	35.56	28.97	14.99
Current ratio (times)	3.90	1.99	2.03	18.09
Quick ratio (times)	3.69	1.83	1.94	16.38
Share statistics				
Closing price at year end (cents)	329	223	300	260
Highest price during year (cents)	370	345	520	560
Lowest price during year (cents)	223	140	175	180
Share volume traded during year	79 163 777	70 914 085	113 217 979	25 629 071
Market capitalisation at year end (R)	756 087 580	442 876 196	535 696 326	426 556 000
Weighted average number of issued shares	225 004 299	196 766 638	174 789 772	116 661 573
Total issued shares	229 813 854	198 599 191	178 565 442	164 060 000

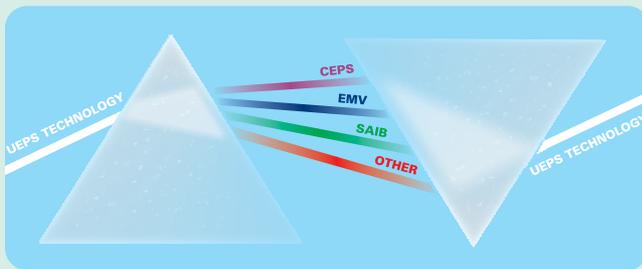
REVIEW OF ACTIVITIES

Since its inception and listing in December 1997, the Aplitec group has been striving to fulfill its vision to provide an alternative transacting instrument to all South Africans, regardless of their financial or demographic profiles. This transacting instrument will afford all South Africans the ability to transact electronically, resulting in the improvement and control of their financial destinies.

Aplitec's Universal Electronic Payment System ("UEPS") and Funds Transfer System ("FTS") patents form the core of this new technology, which is delivered through the most functionally rich smart card in the world today. Aplitec is confident that this advanced utility meets the real needs of its target market and has the ability to inter-operate with existing infrastructures and other complementary systems.

The result of the arduous work done during the past four years is evident in Aplitec's profitable and sustainable business model, a significant client base and a wide range of specialised products. The continuous success of Aplitec's activities will take the group to a higher level through the universal acceptance and usage of its technology in South Africa, Africa and a number of other countries in the world.

TECHNOLOGY DEVELOPMENTS AND APPLICATIONS



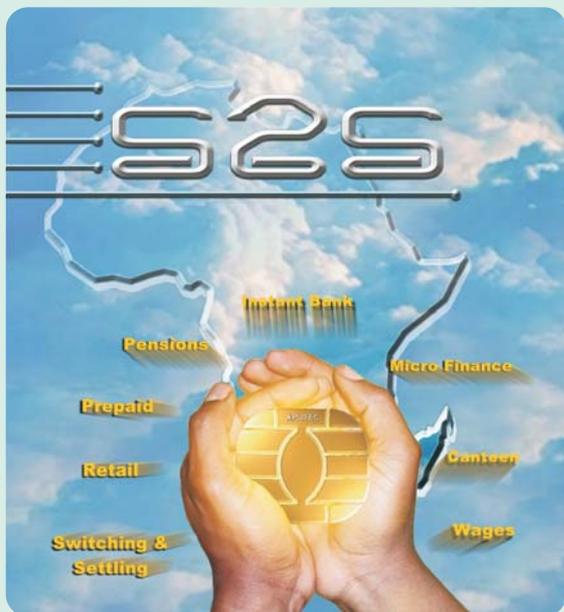
Since the inception of the UEPS in the early nineties, a number of enhancements have been incorporated in the original design to provide a more comprehensive solution to the apparent business opportunities in Aplitec's target market. These enhancements were very often developed in isolation, without specific focus on continuity and inter-operability.

During the year under review, Aplitec's products were either re-written or modified to provide a simple, elegant and universal interface to core smart card technology. Furthermore, a prodigious amount of time and effort was invested to package the technology as a turnkey solution which can be marketed as a comprehensive, fully functional, off the shelf package; without straining the scarce technological resources evident in those countries where the demand for Aplitec's products is the greatest. This initiative has resulted in the latest Aplitec offering: the Aplitec Instant Bank System or "AIBS".

The AIBS provides operators with:

- a switching and settlement system that can interface to any existing gateway such as Visa or MasterCard;
- a network monitoring system that can accommodate the management of point of sale terminals, automated teller machines, self service terminals and other peripherals through any communications protocol;
- a virtual gateway to interface to financial institutions regardless of their back-end banking packages such as Microbanker and Hypercube;
- a full set of smart card based applications inclusive of Aplitec's salary and wage payment, pension and welfare distribution, transportation, prepaid services, basic banking, retail, loan management, debit and credit order systems; and
- a highly advanced customer and operator audit trail and reporting system.

The AIBS enables all smart card holders to enjoy the benefit of an instant bank account, which can be used to conduct all their financial transactions. All service related fees are paid by the providers of financial services, such as insurance companies, government departments, employers, banking institutions and financiers.



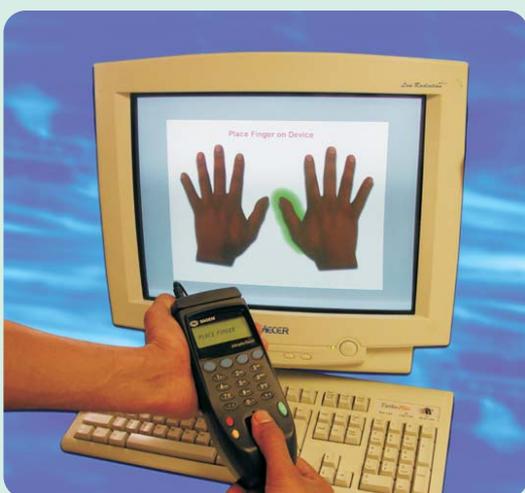
The AIBS can also be utilised as a basic back-end banking system that provides the most advanced front-end transacting facilities.

The AIBS forms the kernel of the product sold to the Central Bank of Malawi during the year under review. The Central Bank of Malawi intends to provide this technological platform to all Malawian banking groups, thereby enabling them to provide banking facilities to all Malawian citizens, regardless of their financial status. This project is a world first, where one technology has been selected to become the standard for transacting. The AIBS can also be used in conjunction with established banking accounts.

As a front-end to the AIBS, Aplitec has launched the Wage Payment System (“WPS”), which allows employers to outsource their financial transacting with employees to an intermediary service provider.

Following the issue of smart cards to their employees, employers can distribute salaries and wages in the most secure, practical and cost effective manner, while providing access to these employees to financial services at substantially reduced costs. The WPS is currently being implemented in SASOL through J&J’s One-Card Systems.

WPS is being marketed to employers that currently pay their staff in cash (either weekly, bi-weekly or monthly), to employees that do not qualify for traditional banking accounts and to employees that cannot afford the costs associated with their existing banking accounts.



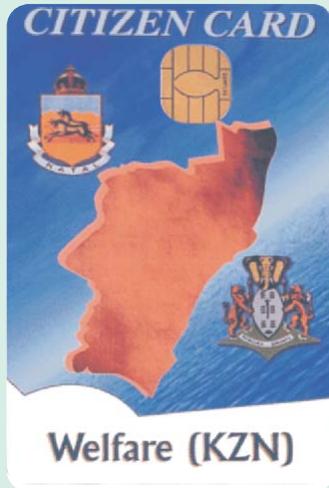
The AIBS/WPS solution described above, driven by Aplitec’s biometric fingerprint technology, will form the cornerstone of all future Aplitec proposals for the distribution and management of social welfare grants. This unique approach will enable all South Africans to be banked; thereby facilitating the provision of goods and services that were previously inaccessible due to the barriers created by the use of traditional technology.

AIBS/WPS is supported by the new Aplitec networking blueprint, which utilises satellite technology to distribute software, files and payment instructions to any location in the country (no matter how remote), as well as the internet Protocol network to send instructions and settlement messages to the central computer system.

Numerous research and development projects are currently underway to incorporate the rapid advancements in communications and information technology and to capitalise on developing infrastructures such as telephony, electricity and satellite communication. Aplitec will shortly test its latest cell phone based payment system, as well as a number of new business products that make use of this maturing technology.

REVIEW OF ACTIVITIES

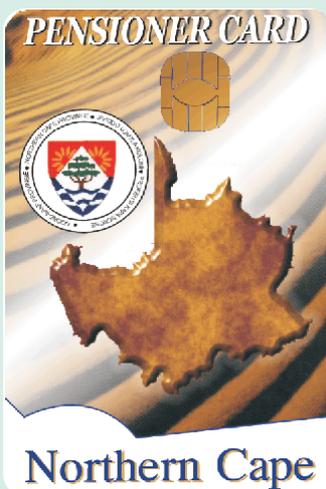
(continued)



BUSINESS MODEL RE-ENGINEERING FOR THE PENSION AND WELFARE DIVISION

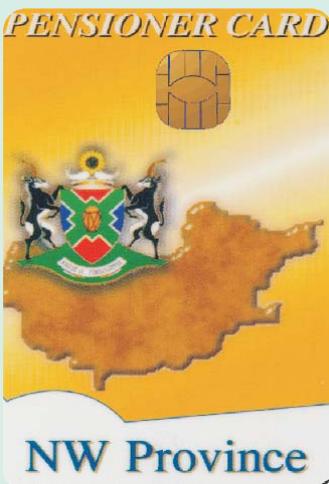
Aplitec, through its wholly owned subsidiary Cash Paymaster Services (Proprietary) Limited ("CPS"), currently facilitates the distribution of social welfare grants in KwaZulu Natal Province (650 000 beneficiaries), the Northern Cape Province (80 000 beneficiaries), the North West Province (250 000 beneficiaries) and the Northern Province (500 000 beneficiaries). Aplitec has established separate companies in these four provinces in which it owns between 30% and 70% of the equity in order to promote Aplitec's technology and to ensure that it is applied in the most productive manner; whilst conforming to the stringent tendering regulations regarding Black Empowerment.

Aplitec controls the financial and the operational management of these provincial companies. The operations associated with the distribution of social welfare grants is capital and labour intensive, resulting in a high volume, low margin business.



The success of these operations is therefore greatly dependent on the efficiency of staff members involved in the delivery of the services. During the year under review, Aplitec embarked on a comprehensive training programme to educate employees about the Batho Pele or "People First" principles, as specified by the government, to raise awareness of the diverse languages spoken and cultural background of the customers serviced.

As these provincial companies are increasingly mastering the core competencies, the need for Aplitec to be directly involved in the operation of these business entities diminishes. Aplitec is therefore redesigning its business model for the payment of social welfare grants which will result, over time, in Aplitec only providing the technology required by this industry. This will allow Aplitec to tender with many or all tenderers, resulting in the accelerated deployment of its technology. This business model will provide the optimal structure for Black Empowerment Entities and allow these groups to flourish and create meaningful, sustainable and profitable businesses.



This new business model will be phased in commencing with the Eastern Cape Province and the soon to be released Northern Province tenders.

VALUE ADDED FINANCIAL SERVICES

Aplitec has been able to develop a number of financial services for the benefit of its customers by providing an AIBS account to all its cardholders. In the social welfare arena, for example, Aplitec has launched Age Secure which is a suite of products designed to improve the lifestyle of the poorest of the poor. Age Secure is designed to facilitate the marketing, sale, delivery and premium collection associated with insurance and refinancing products offered by Aplitec's subsidiaries or third parties. It provides pensioners with a savings account, a budgeting tool, a loyalty scheme as well as access to goods and services from which they were excluded in the past.

Age Secure works closely with communities, their representatives and associations and local and central government in an effort to continuously assimilate the need for certain products and to ensure rapid acceptance of these products. The products endorsed by Age Secure is marketed and administrated through Aplitec's smart card technology.

Age Secure has been launched in the Northern Cape and KwaZulu Natal Provinces where market penetration has been phenomenal. Barring any unforeseen circumstances, Age Secure's customer base should exceed 200 000 by the end of Aplitec's 2002 financial year.

FUTURE INITIATIVES AND DEVELOPMENTS

Over the past twelve months, Aplitec has made significant progress in creating a strong presence on the African continent. The eminent launch of the National Payment and Switching System in Malawi, a fully compliant UEPS system, will endorse Aplitec's technology and enable the deployment of this technology in many other African countries and other developing economies. Already, Ghana, Rwanda and Burundi operate UEPS systems and great interest has been demonstrated from Ivory Coast, Ethiopia, Tanzania, Uganda, Zimbabwe and Mozambique.



Aplitec is currently the only system integrator for UEPS systems in the Central Europe, Middle East and Africa or "CEMEA" region on behalf of Net1 UEPS Inc. ("NUEP"), an entity listed in the United States of America. The next financial year will bring closer participation between Aplitec and NUEP, in order to capitalise on the worldwide patents (excluding South Africa and surrounding territories) licenced to NUEP and the development and implementation capabilities of Aplitec. This will enable Aplitec to provide its services outside of the Southern African territory and become a global player in the field of smart card based payment systems for developing economies.

The implementation of Aplitec's AIBS/WPS at SASOL through J&J's One-Card company, could lead to the introduction of Aplitec's technology in many trade unions throughout South Africa. In addition, negotiations have commenced with Old Mutual and the JD Group for the provision of Aplitec's technology to facilitate the introduction and the financial management of their products. Aplitec will continue to research and develop innovative products that work in unison with infrastructures such as the internet, cellular telephony, water meters and satellites, whilst inter-operating with both local and international banking systems.



CONCLUSION

Aplitec's momentum for growth and prosperity is directly linked to the market acceptance of its technology and related products.

Aplitec's success during the year under review as described above, together with the reciprocity agreement with Nedcor, positions Aplitec as the front runner in the payment technology arena that should result in strong and sustainable earnings for its shareholders.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation, integrity and fair presentation of the financial statements and other financial information included in this report.

The financial statements, presented on pages 22 to 45, have been prepared in accordance with Generally Accepted Accounting Practice, and include amounts based on judgements and estimates made by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company or the group will not be going concerns in the foreseeable future based on forecasts and available cash resources. The financial statements support the viability of the company and the group.

The financial statements have been audited by the independent accounting firm, Fisher Hoffman PKF (JHB) INC., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate. Fisher Hoffman PKF's audit report is presented on page 21.

The financial statements were approved by the board on 17 August 2001 and signed on its behalf by:



S C P Belamant
Chief Executive Officer



H G Kotzé
Chief Financial Officer

CERTIFICATE FROM THE COMPANY SECRETARY

In terms of section 268G(d) of the Companies Act, 1973, as amended, we certify that, to the best of our knowledge and belief, the company has lodged with the Registrar of Companies for the financial year ended 30 June 2001 all such returns as are required of a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.



Light & Livingstone Financial Services CC
Company Secretary
17 August 2001

REPORT OF THE INDEPENDENT AUDITORS

To the members of Net1 Applied Technology Holdings Limited

We have audited the annual financial statements and group annual financial statements of Net1 Applied Technology Holdings Limited set out on pages 22 to 45 for the year ended 30 June 2001. These financial statements are the responsibility of the companies' directors. Our responsibility is to express our opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 30 June 2001 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act.

The logo for Fisher Hoffman PKF, featuring the name 'Fisher Hoffman' in a cursive script and 'PKF' in a bold, sans-serif font, all underlined.

FISHER HOFFMAN PKF (JHB) INC.

Chartered Accountants (S.A.)

Registered Accountants and Auditors

Johannesburg

17 August 2001

DIRECTORS' REPORT

The directors have pleasure in submitting the annual financial statements and group annual financial statements for the year ended 30 June 2001.

NATURE OF BUSINESS

Net1 Applied Technology Holdings Limited ("Aplitec") is an investment holding company whose subsidiaries employ specialised smart card technologies to add efficiency to a myriad of commercial activities requiring money transfers, payment systems and other electronic data applications.

Net1 Support Services (Proprietary) Limited and its subsidiaries provide technical, operational and general management services to group companies.

Net1 Solutions (Proprietary) Limited provides smart card solutions.

Net1 Southern Africa (Proprietary) Limited provides consulting and software development and maintenance services and distributes smart cards, electronic credit card and smart card recognition devices.

Net1 Finance Holdings (Proprietary) Limited is an investment holding company. The company holds a 100% interest in Moneyline Financial Services (Proprietary) Limited and in New World Finance (Proprietary) Limited, both high-street microlending businesses, operating more than 100 branches nationally. Net1 Finance Holdings (Proprietary) Limited holds 100% interests in both Milpay Pay System (Proprietary) Limited and Friedland 020 Investments (Proprietary) Limited, which develop, market and licence administrative and payment solutions for the micro-finance industry. Friedland 035 Investments (Proprietary) Limited, trading as Age Secure, provides financial services to pensioners through Aplitec's proprietary smart card platform.

Cash Paymaster Services (Proprietary) Limited and its subsidiaries are involved in the administration, management and payment of social welfare grants and handle the payment of pensions on behalf of the government in four of the nine provinces.

Net1 Investment Holdings (Proprietary) Limited is the holder of the Funds Transfer System ("FTS") patents for South Africa and its surrounding territories. The company also provides integrated software and hardware services to international customers, through an outsourcing agreement with NUEP Inc., which holds the exclusive licence to exploit the FTS patents worldwide, excluding South Africa and its surrounding territories.

FINANCIAL RESULTS

The financial results of the company and group are set out in the attached annual financial statements.

The estimated proportions of consolidated revenue, profit before tax and non-current assets attributable to the various classes of business were as follows:

	Revenue		Profit before tax		Non-current assets	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000	2001 R'000	2000 R'000
Transaction-based activities	366 538	291 265	76 360	29 325	66 310	54 865
Technology sales, maintenance and outsourcing	98 993	66 743	33 749	15 068	2 800	909
Financial services	91 914	78 852	14 693	31 340	5 179	3 791
Investments	-	-	11 940	11 560	-	-
	557 445	436 860	136 742	87 293	74 289	59 565

REVIEW OF ACTIVITIES

During the 2001 financial year, revenue from continuing operations increased by 28% from R434.0 million to R557.5 million, profit from continuing operations increased by 35% from R93.1 million to R125.8 million and attributable profit increased by 56% from R59.6 million to R93.2 million. Diluted earnings per share increased by 37% to 40.75 cents and diluted headline earnings per share rose by 22% to 41.56 cents. The operating margin of the group increased from 18.1% to 22.6%.

The group's balance sheet is very sound with no interest-bearing debt and cash resources of R200.9 million. Healthy liquidity is substantiated by a current ratio of 3.9 : 1 and an acid test ratio of 3.7 : 1.

Net cash flows from operating activities amounted to R136.5 million.

DIRECTORS' REPORT

(continued)

SHARE CAPITAL

Details of the authorised and issued share capital are contained in note 7 to the annual financial statements.

The following changes in the issued ordinary share capital occurred during the year under review :

DATE	NUMBER OF SHARES ISSUED	ISSUE PRICE PER SHARE	PARTICULARS
20 July 2000	17 839 663	R2.00	Shares issued for cash to Nedcor Bank Limited, as part of the transaction which enabled Nedcor to obtain a 26.2% interest in Aplitec.
26 September 2000	9 750 000	R2.00	Shares issued as consideration for the acquisition of Net1 Investment Holdings (Proprietary) Limited.
27 May 2001	3 625 000	R1.475	Shares issued in terms of the Aplitec staff share incentive scheme.

DIVIDENDS

No dividends were declared for the year under review.

SUBSIDIARIES

Information regarding Aplitec's subsidiaries is set out on pages 44 and 45.

The interest of the company in the aggregate net income of its subsidiaries after tax, amounts to R93 646 328 (2000 : R58 968 306).

On 12 July 2000, Aplitec announced the acquisition of the entire share capital of Net1 Investment Holdings (Proprietary) Limited for R19 500 000, payable by the issue of 9 750 000 Aplitec shares at an issue price of R2.00 per share. The effect of this acquisition is that the Funds Transfer System ("FTS") patent for South Africa and surrounding territories, on which all Aplitec's smart card applications are based and which Aplitec previously had a licence to utilise, has become the exclusive property of the group.

NEDCOR INVESTMENT

It was announced on 12 July 2000 that Nedcor Bank Limited had acquired 26.2% of Aplitec, through the purchase of 38 933 739 shares from existing shareholders and the issue of 17 839 663 new shares for cash, at a price of R2.00 per share. Following regulatory and shareholders' approval, Nedcor also acquired an option to increase its shareholding in Aplitec to 50%, subject to the fulfillment of certain conditions precedent. The option, as originally envisaged, has lapsed and is currently being renegotiated to encompass the enhanced working relationship between the groups. Any revisions to the option will be submitted to shareholders for approval.

DIRECTORS' INTERESTS

At 30 June 2001 the interest of the directors in aggregate in the issued share capital of Aplitec amounted to 21 881 859 (2000 : 17 037 046 shares), comprising:

Non-executive directors :

• J C Livingstone	3 600 000 shares
• D A J Donald	15 000 shares

Executive directors :

• S C P Belamant	17 666 859 shares
• H G Kotzé	600 000 shares
	<u>21 881 859 shares</u>

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The directors are not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the group or the results of its operations.

DIRECTORS AND SECRETARY

<i>Directors</i>	<i>Position</i>
S C P Belamant*	Chairman and Chief Executive Officer
H G Kotzé	Chief Financial Officer
D A J Donald	Non-executive director
J C Livingstone	Non-executive director
B J S Hore	Non-executive director
D G S Muller	Non-executive director

**French*

SECRETARY

Light and Livingstone Financial Services CC

3rd Floor, Palm Grove
196 Louis Botha Avenue
Houghton Estate
PO Box 46079, Orange Grove, 2119

BALANCE SHEETS

as at 30 June 2001

	Notes	Group		Company	
		2001 R'000	2000 R'000	2001 R'000	2000 R'000
Assets					
<i>Non-current assets</i>		74 289	59 565	120 409	64 932
Property, plant and equipment	2	39 751	38 915	-	-
Intangible assets	3	24 298	12 020	-	-
Deferred tax	4	10 240	8 630	-	-
Investment in subsidiaries	5	-	-	120 409	64 932
<i>Current assets</i>		317 966	206 888	6 005	41
Inventory	6	16 611	16 484	-	-
Trade and other receivables		100 474	134 980	1 768	6
Cash and cash equivalents		200 881	55 424	4 237	35
Total assets		392 255	266 453	126 414	64 973
Equity and liabilities					
<i>Capital and reserves</i>		309 075	155 543	125 763	64 553
Share capital	7	230	199	230	199
Share premium		123 998	63 684	123 998	63 684
Accumulated profit		184 847	91 660	1 535	670
<i>Minority interests</i>		1 580	6 813	-	-
<i>Current liabilities</i>		81 600	104 097	651	420
Trade and other payables	8	52 805	76 842	271	128
Current portion of interest-bearing borrowings	9	-	4 154	-	-
Tax		28 795	23 101	380	292
Total equity and liabilities		392 255	266 453	126 414	64 973
Net asset value per share (cents)	15	134.49	78.32		

INCOME STATEMENTS

for the year ended 30 June 2001

	Notes	Group		Company	
		2001 R'000	2000 R'000	2001 R'000	2000 R'000
Revenue	10	557 445	436 860	-	-
- Continuing operations		557 445	433 965		
- Discontinued operations		-	2 895		
Cost of sales		167 312	133 159	-	-
- Continuing operations		167 312	130 581		
- Discontinued operations		-	2 578		
Gross profit		390 133	303 701	-	-
- Continuing operations		390 133	303 384		
- Discontinued operations		-	317		
<i>Other operating income - continuing operations</i>		1 215	324	3	-
<i>Operating expenses - continuing operations</i>		265 592	210 609	492	290
- Distribution costs		2 583	2 538	-	-
- Administration expenses		73 493	44 998	400	265
- Other operating expenses		189 516	163 073	92	25
<i>Operating expenses - discontinued operations</i>		-	14 173	-	-
- Distribution costs		-	202		
- Administration expenses		-	3 976		
- Other operating expenses		-	9 995		
Profit / (loss) from operations	11	125 756	79 243	(489)	(290)
- Continuing operations		125 756	93 099		
- Discontinued operations		-	(13 856)		
Interest received		11 940	11 560	361	-
- Continuing operations		11 940	11 560		
- Discontinued operations		-	-		
Finance cost		(954)	(3 510)	-	-
- Continuing operations		(954)	(2 550)		
- Discontinued operations		-	(960)		
Income from subsidiaries	13	-	-	1 373	1 226
Profit before tax		136 742	87 293	1 245	936
- Continuing operations		136 742	102 109		
- Discontinued operations		-	(14 816)		
Income tax expense	14	42 471	21 766	380	281
- Continuing operations		42 471	27 532		
- Discontinued operations		-	(5 766)		
Profit after tax		94 271	65 527	865	655
- Continuing operations		94 271	74 577		
- Discontinued operations		-	(9 050)		
Minority interests		1 084	5 969	-	-
Net profit for the year		93 187	59 558	865	655
- Continuing operations		93 187	68 608		
- Discontinued operations		-	(9 050)		
Headline earnings per share (cents)	15	42.23	34.87		
Earnings per share (cents)	15	41.42	30.27		
Diluted headline earnings per share (cents)	15	41.56	34.16		
Diluted earnings per share (cents)	15	40.75	29.65		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2001

	Share capital R'000	Share premium R'000	Accumulated profit R'000	Total R'000
Group				
Balance at 30 June 1999	179	54 316	32 102	86 597
Issue of share capital	20	42 217	-	42 237
Share issue cost written off against share premium	-	(71)	-	(71)
Goodwill written off	-	(32 778)	-	(32 778)
Net profit for the year	-	-	59 558	59 558
Balance at 30 June 2000	199	63 684	91 660	155 543
Issue of share capital	31	60 495	-	60 526
Share issue cost written off against share premium	-	(181)	-	(181)
Net profit for the year	-	-	93 187	93 187
Balance at 30 June 2001	230	123 998	184 847	309 075
Company				
Balance at 30 June 1999	179	54 316	15	54 510
Issue of share capital	20	42 217	-	42 237
Share issue cost written off against share premium	-	(71)	-	(71)
Goodwill written off	-	(32 778)	-	(32 778)
Net profit for the year	-	-	655	655
Balance at 30 June 2000	199	63 684	670	64 553
Issue of share capital	31	60 495	-	60 526
Share issue cost written off against share premium	-	(181)	-	(181)
Net profit for the year	-	-	865	865
Balance at 30 June 2001	230	123 998	1 535	125 763

CASH FLOW STATEMENTS

for the year ended 30 June 2001

	Notes	Group		Company	
		2001 R'000	2000 R'000	2001 R'000	2000 R'000
Cash flows from operating activities		136 468	80 483	(666)	(23 563)
Cash receipts from customers		594 094	408 620	1 376	1 227
Cash paid to suppliers and employees		(429 869)	(320 403)	(2 111)	(24 790)
Cash generated from / (utilised by) operations	20	164 225	88 217	(735)	(23 563)
Interest received		11 940	11 560	361	-
Finance cost		(954)	(3 510)	-	-
Tax paid	21	(38 743)	(15 784)	(292)	-
Cash flows from investing activities		(27 702)	(46 803)	(67)	4 825
Additions to property, plant and equipment		(21 956)	(37 695)	-	-
Proceeds from disposal of property, plant and equipment		282	12 990	-	-
Cash outflow from disposal of joint venture (Acquisition) / reduction in purchase price of subsidiaries	22	(66)	-	-	-
		(5 962)	(22 098)	(67)	4 825
Cash flows from financing activities		36 691	(51 327)	4 935	18 770
Proceeds from issue of share capital		40 845	13 053	40 845	42 214
Repayment of interest-bearing borrowings		(4 154)	(11 047)	-	-
(Repayment) / advancement of loans to subsidiaries		-	-	(35 910)	3 681
Repayment of amounts owing to vendors		-	(27 125)	-	(27 125)
Repayment of non-current borrowings		-	(26 208)	-	-
Net increase / (decrease) in cash and cash equivalents		145 457	(17 647)	4 202	32
Cash and cash equivalents at the beginning of the year		55 424	73 071	35	3
Cash and cash equivalents at the end of the year	23	200 881	55 424	4 237	35
Cash equivalent earnings per share (cents)	24	53.01	43.73		

NOTES TO THE 2001 FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting bases which are followed by the group are set out below. These are in agreement with those followed in the previous year.

1.1 Basis of presentation

The financial statements of the group are presented on the historical cost basis, which conform with South African statements of generally accepted accounting practice.

1.2 Basis of consolidation and goodwill

The consolidated financial statements include those of the holding company and its subsidiaries. The results of subsidiaries are included from the effective dates of their acquisition until the effective dates of their disposal. Goodwill represents the excess of cost of an acquisition over the fair value of the group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill is capitalised as an intangible asset and amortised on the straight-line basis over the period of the expected benefit, which is estimated at ten years. Intercompany transactions and balances are eliminated on consolidation. Separate disclosure is made of minority interests.

1.3 Property, plant and equipment

Property, plant and equipment are shown at cost less accumulated depreciation. Property, plant and equipment are depreciated on the straight-line basis at rates which are estimated to amortise the assets to their anticipated residual values over their useful lives. Within the following asset classifications, the expected economic lives are approximately:

Computer equipment	3 years
Office equipment	3 years
Vehicles	4 to 5 years
Furniture and fittings	5 to 10 years

1.4 Leased assets

Property, plant and equipment leased in terms of finance leases are capitalised at their cash cost price and the corresponding liabilities are raised. These assets are depreciated on the same basis as the fixed assets owned by the group. Finance charges are amortised over the duration of the lease according to the effective interest rate method.

1.5 Intangible assets

Intangible assets are shown at cost less accumulated amortisation and are amortised over their useful lives, which is estimated at five years.

1.6 Deferred tax

Deferred tax is provided at current rates on the comprehensive allocation basis, using the liability method. Deferred tax assets are raised to the extent that it is probable that taxable income will be available against which deductible temporary differences and accumulated tax losses can be utilised.

1.7 Inventory

Inventory is valued at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes transport and handling costs.

1.8 Financial instruments

1.8.1 *Initial recognition and measurement*

Financial instruments are recognised when the group becomes a party to the transaction. Initial measurements are at cost, which includes transaction costs subsequent to initial recognition. These instruments are measured as set out below.

1.8.2 *Trade and other receivables*

Trade and other receivables originated by the group are stated at cost less provision for doubtful debts.

1.8.3 *Cash and cash equivalents*

Cash and cash equivalents are stated at the bank statement balances.

1.8.4 *Trade and other payables*

Trade and other payables are carried at their estimated fair value.

1.9 Foreign exchange transactions

Foreign exchange transactions are translated at the spot rate ruling at the date of the transaction. Monetary items are translated at the closing spot rate at the balance sheet date. Exchange differences occurring on the settlement of monetary items or on the reporting of outstanding monetary items, are brought into account as income for the period. Non-monetary items are translated at the spot rate at the date of the transaction or the spot rate on the valuation date if carried at fair value.

1.10 Revenue

Revenue comprises sales to customers, fees and interest on loans.

Revenue recognition

Revenue from sales of merchandise is brought to account when the commercial risk in the goods passes to the customer. Revenue from fee-based activities is recognised when the subsequent receipt thereof is certain. Interest is accounted for on the accrual basis.

1.11 Research and development expenditure

Research expenditure is written off in the period in which it is incurred. Development expenditure is capitalised until the operation to which it relates commences trading. The expenditure is then written off on the straight-line basis over the life of the product, which is estimated at four years. Where the project is terminated, the related development expenditure is written off immediately.

NOTES TO THE 2001 FINANCIAL STATEMENTS

(continued)

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
2. Property, plant and equipment				
<i>Cost</i>				
Computer equipment	49 436	36 976	-	-
Furniture and office equipment	19 240	16 615	-	-
Motor vehicles - owned	71 524	32 648	-	-
Motor vehicles - leased	-	55 475	-	-
	140 200	141 714	-	-
<i>Accumulated depreciation</i>				
Computer equipment	29 746	24 346	-	-
Furniture and office equipment	11 753	10 089	-	-
Motor vehicles - owned	58 950	19 683	-	-
Motor vehicles - leased	-	48 681	-	-
	100 449	102 799	-	-
<i>Carrying amount</i>				
Computer equipment	19 690	12 630	-	-
Furniture and office equipment	7 487	6 526	-	-
Motor vehicles - owned	12 574	12 965	-	-
Motor vehicles - leased	-	6 794	-	-
	39 751	38 915	-	-
The carrying amount of property, plant and equipment can be reconciled as follows:				
Carrying amount at the beginning of the year	38 915	46 579	-	-
Acquisition of subsidiaries	456	2 381	-	-
Additions	21 956	34 979	-	-
Disposals	(30)	(15 566)	-	-
Depreciation	(21 546)	(29 458)	-	-
Carrying amount at the end of the year	39 751	38 915	-	-
3. Intangible assets				
<i>Cost</i>				
Capitalised development costs	15 076	14 431	-	-
Trade marks	2 718	2 718	-	-
Goodwill	18 031	-	-	-
	35 825	17 149	-	-

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<i>Accumulated amortisation</i>				
Capitalised development costs	9 081	5 129	-	-
Trade marks	543	-	-	-
Goodwill	1 902	-	-	-
	11 526	5 129	-	-
<i>Carrying amount</i>				
Capitalised development costs	5 995	9 302	-	-
Trade marks	2 175	2 718	-	-
Goodwill	16 129	-	-	-
	24 299	12 020	-	-
The carrying amount of intangible assets can be reconciled as follows:				
Carrying amount at the beginning of the year	12 020	13 044	-	-
Acquisition of subsidiaries	18 677	2 718	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Amortisation	(6 398)	(3 742)	-	-
Carrying amount at the end of the year	24 299	12 020	-	-
4. Deferred tax				
Balance at the beginning of the year	8 630	(48)	-	-
Acquisition of subsidiaries	(193)	-	-	-
Movement during the year attributable to temporary differences	1 803	8 678	-	-
Balance at the end of the year	10 240	8 630	-	-
Deferred tax on temporary differences arising from:				
Assessed losses	16 909	12 880	-	-
Capitalised development costs	(125)	-	-	-
Provisions	1 869	2 352	-	-
Prepaid expenses	(8 625)	(5 553)	-	-
Property, plant and equipment	13	(1 248)	-	-
Other	199	199	-	-
	10 240	8 630	-	-

NOTES TO THE 2001 FINANCIAL STATEMENTS

(continued)

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
5. Investment in subsidiaries				
Shares at cost			100 826	81 259
Loans to subsidiaries			140 625	104 715
			241 451	185 974
Goodwill written off			(121 042)	(121 042)
			120 409	64 932
The loans are interest free, unsecured and not subject to any fixed terms of repayment. Details of subsidiary companies are set out in Annexure A.				
6. Inventory				
Merchandise	16 611	16 484	-	-
	16 611	16 484	-	-
7. Share capital				
<i>Authorised:</i>				
500 000 000 ordinary shares of 0.1 cent each	500	500	500	500
500 000 000 "N" ordinary shares of 0.001 cent each	5	5	5	5
<i>Issued:</i>				
229 813 854 (2000 : 198 599 191) ordinary shares of 0.1 cent each	230	199	230	199

Three empowerment investment companies have the right to subscribe for 16 000 000 ordinary shares of 0.1 cent each in Aplitec at an issue price of 100 cents per share within 90 days of being served with an exercise notice by Aplitec at any time between 1 October 1999 and 30 September 2002.

In the event that no exercise notice is served by Aplitec before 30 September 2002, the option holders will be entitled to exercise the options by tendering to Aplitec the subscription price of 100 cents per share before 31 December 2002.

Share options	Options	
	2001 '000	2000 '000
Unexercised at the beginning of the year	11 025	-
Granted during the year	-	11 025
Cancelled during the year	(150)	-
Exercised during the year	(3 625)	-
Unexercised at the end of the year	7 250	11 025

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
8 Trade and other payables				
Trade payables	27 305	28 537	60	-
Accruals	5 189	4 286	193	128
Value added tax payable	5 579	568	-	-
Amounts due in respect of acquisitions	-	18 000	-	-
Other payables	153	5 148	18	-
Provisions	14 579	20 303	-	-
- Balance at the beginning of the year	20 303	24 839	-	-
- Additional provisions charged to the income statement	12 868	-	-	-
- Unused amounts credited to the income statement	(10 194)	-	-	-
- Utilised in the year	(8 398)	(4 536)	-	-
	52 805	76 842	271	128

Provisions consist of the following:

Group	Establishment				
	Bonus R'000	Leave pay R'000	Insurance R'000	cost R'000	Sundry R'000
- Balance at the beginning of the year	5 222	4 597	2 500	1 130	6 854
- Additional provisions charged to the income statement	5 163	3 177	-	-	4 528
- Unused amounts credited to the income statement	-	(12)	(2 500)	-	(7 682)
- Utilised in the year	(7 482)	(726)	-	-	(190)
	2 903	7 036	-	1 130	3 510

NOTES TO THE 2001 FINANCIAL STATEMENTS

(continued)

		Group		Company	
		2001 R'000	2000 R'000	2001 R'000	2000 R'000
9 Interest-bearing borrowings					
	Average closing interest rate (%)				
<i>Secured</i>					
Capitalised finance leases	13.75%	-	4 154	-	-
Current portion		-	(4 154)	-	-
Non-current portion		-	-	-	-
Repayments					
Repayable during 12 months to					
30 June 2000		-	-	-	-
30 June 2001		-	4 154	-	-
		-	4 154	-	-
<p>All amounts are repayable in South African rands. The bank overdraft facility of Cash Paymaster Services (Proprietary) Limited is secured by a cession of bank balances, trade and other receivables and by a general notarial bond over all unencumbered moveable assets of Cash Paymaster Services (Proprietary) Limited.</p> <p>The capitalised financial leases are secured by certain vehicles with an aggregate carrying amount of:</p>		-	6 794	-	-
10 Revenue					
Sale of goods		98 993	66 743	-	-
Services rendered		458 452	370 117	-	-
		557 445	436 860	-	-

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
11 Profit / (loss) from operations				
<i>Profit / (loss) from operations is stated after:</i>				
Audit fees	632	633	56	36
<i>Depreciation and amortisation</i>	27 944	33 200	-	-
Amortisation - capitalised development costs	3 953	3 742	-	-
Amortisation - trade marks	543	-	-	-
Amortisation - goodwill	1 902	-	-	-
Depreciation - property, plant and equipment	21 546	29 458	-	-
<i>Directors' emoluments</i>	1 855	1 340	25	25
For services as directors	25	25	25	25
For managerial and other services	1 830	1 315	-	-
Employee costs	134 002	119 427	-	-
Operating lease rentals - leased premises	19 555	17 075	-	-
Profit on disposal of property, plant and equipment	252	115	-	-
Loss on disposal of property, plant and equipment	-	2 690	-	-
Loss on disposal of joint venture	188	-	-	-

12 Directors' emoluments

	Basic salaries (R'000)	Share options exercised ('000 shares)
Paid to executive directors	1 830	1 200
- S C P Belamant	1 200	600
- H G Kotzé	630	600
	Fees paid (R'000)	Share options exercised ('000 shares)
Paid to non-executive directors	25	600
- D A J Donald	25	-
- J C Livingstone	-	600

NOTES TO THE 2001 FINANCIAL STATEMENTS

(continued)

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
13 Income from subsidiaries				
Administration fees	-	-	240	120
Interest	-	-	1 133	1 106
	-	-	1 373	1 226
14 Income tax expense				
South African normal tax				
Current year	44 014	30 095	380	281
Deferred tax	(1 803)	(8 678)	-	-
Secondary tax on companies	260	-	-	-
Foreign taxes (Namibia)	-	349	-	-
	42 471	21 766	380	281
	%	%	%	%
<i>Reconciliation of rate of tax:</i>				
South African normal tax rate	30.0	30.0	30.0	30.0
Permanent differences	0.7	0.1	0.5	-
Secondary tax on companies	0.2	-	-	-
Deferred tax not provided on tax losses	0.2	-	-	-
Tax losses utilised		(5.2)	-	-
Effective rate of tax	31.1	24.9	30.5	30.0
Gross estimated tax losses of certain subsidiaries available for utilisation against future taxable income	18 211	29 500	-	-
Applied to increase deferred tax asset	(18 211)	(29 500)	-	-
Net estimated tax losses carried forward	-	-	-	-

	Group	
	2001 R'000	2000 R'000
15 Net asset value per share and earnings per share		
15.1 <i>Net asset value per share (cents)</i>	134.49	78.32
Number of shares in issue at end of year ('000)	229 814	198 599
15.2 <i>Earnings per share (cents)</i>	41.42	30.27
<i>Diluted earnings per share (cents)</i>	40.75	29.65
The calculation of earnings per share is based on consolidated net profit attributable to ordinary shareholders of R93.187 million (2000 : R59.558 million) and the weighted average number of shares.		
The diluted earnings per share is calculated on consolidated net profit attributable to ordinary shareholders of R93.187 million (2000 : R59.558 million) and the diluted weighted average number of shares. The difference between the number of shares used in the earnings per share and the diluted earnings per share is as a result of the bonus element of the share option.		
Weighted average number of issued shares ('000)	225 004	196 767
Bonus element of share option ('000)	3 657	4 071
Diluted weighted average number of shares ('000)	228 661	200 838
<i>Headline earnings per share (cents)</i>	42.23	34.87
<i>Diluted headline earnings per share (cents)</i>	41.56	34.16
Reconciliation between earnings and headline earnings:		
Profit attributable to ordinary shareholders per financial statements	93 187	59 558
Loss after taxation attributable to discontinued operations	-	9 050
Amortisation of goodwill	1 902	-
Profit on disposal of property, plant and equipment	(252)	-
Loss on disposal of joint venture	188	-
Headline earnings	95 025	68 608
Aplitec has no other equity instruments outstanding at the balance sheet date.		

NOTES TO THE 2001 FINANCIAL STATEMENTS

(continued)

16 Operating lease commitments

The group leases certain premises under operating leases. The minimum future commitments of the group for leased premises are:

Due:	Within 1 year R'000	Within 2 - 5 years R'000	After 5 years R'000	Total R'000
2001	15 964	9 411	-	25 375
2000	10 208	18 810	-	29 018

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
17 Capital commitments				
The group's outstanding capital commitments at the year-end, which have been approved by the directors and contracted for amounted to:	3 200	3 563	-	-
These commitments will be funded from cash generated from operations.				

18 Retirement benefits

The Group Provident Fund is a defined contribution fund and is registered in terms of the Pension Fund Act, 1956.

Membership of the fund is optional.

19 Related party transactions

On 12 July 2000, Aplitec announced the acquisition of the entire share capital of Net1 Investment Holdings (Proprietary) Limited for R19 500 000, payable by the issue of 9 750 000 Aplitec shares at an issue price of R2.00 per share. Mr S C P Belamant, an executive director of Aplitec, was an 84% shareholder in Net1 Investment Holdings (Proprietary) Limited and received 8 190 000 Aplitec shares accordingly. The purchase price was certified as fair and reasonable by Deloitte and Touche, Chartered Accountants (SA).

Light and Livingstone Financial Services CC, in which Mr J C Livingstone (a non-executive director) is a member, performs the company secretarial function for the group.

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
20 Cash generated from operations				
Profit / (loss) before interest and tax	125 756	79 243	884	936
Depreciation and amortisation	27 944	33 200	-	-
Profit on disposal of property, plant and equipment	(252)	(115)	-	-
Loss on disposal of property, plant and equipment	-	2 690	-	-
Loss on disposal of joint venture	188	-	-	-
Profit / (loss) from operations before working capital changes	153 636	115 018	884	936
<i>Working capital changes</i>	10 589	(26 801)	(1 619)	(24 499)
Inventory	(98)	(8 578)	-	-
Trade and other receivables	34 331	(32 192)	(1 762)	189
Trade and other payables	(23 644)	13 969	143	(24 688)
	164 225	88 217	(735)	(23 563)
21 Tax paid				
Unpaid at the beginning of the year	(23 101)	(8 338)	(292)	(11)
Unpaid on acquisition of subsidiary	(246)	(103)	-	-
Unpaid on disposal of joint venture	83	-	-	-
Current tax and secondary tax charged to the income statement	(44 274)	(30 444)	(380)	(281)
Unpaid at the end of the year	28 795	23 101	380	292
	(38 743)	(15 784)	(292)	-

NOTES TO THE 2001 FINANCIAL STATEMENTS

(continued)

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
22 Acquisition of subsidiaries				
Property, plant and equipment	1 101	2 381	1 101	-
Inventory	29	383	29	-
Trade and other receivables	715	18 530	715	-
Cash and cash equivalents	912	2 106	912	-
Trade and other payables	(293)	(5 110)	(293)	-
Tax	(246)	(103)	(246)	-
Deferred tax	(193)	-	(193)	-
Goodwill	17 886	32 779	17 542	(4 825)
Minority interests	6 317	2 351	-	-
Acquisition costs incurred	146	-	-	-
Cost price of subsidiary	26 374	53 317	19 567	(4 825)
Shares issued at a premium	(19 500)	(29 113)	(19 500)	-
Cash purchase price	6 874	24 204	67	(4 825)
Cash and cash equivalents acquired	(912)	(2 106)	-	-
Net cash outflow	5 962	22 098	67	(4 825)
23 Cash and cash equivalents				
Bank balances and cash	200 944	58 921	4 237	35
Bank overdrafts	(63)	(3 497)	-	-
	200 881	55 424	4 237	35

	Group		Company	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
24 Cash equivalent earnings per share				
<i>Cash equivalent earnings per share (cents)</i>	53.01	43.73		
The calculation of cash equivalent earnings per share is based on consolidated cash equivalent earnings attributable to ordinary shareholders of R119.264 million (2000 : R86.047 million) and the weighted average number of shares in issue.				
Calculation of cash equivalent earnings:				
Attributable earnings	93 187	59 558		
Non-cash items:	27 880	35 167		
- Depreciation and amortisation	27 944	33 200		
- Profit on disposal of property, plant and equipment	(252)	(115)		
- Loss on disposal of property, plant and equipment	-	2 690		
- Loss on disposal of joint venture	188	-		
- Adjustment for minority interests in non-cash items	-	(608)		
Deferred tax charge for the year	(1 803)	(8 678)		
Cash equivalent earnings	119 264	86 047		
Weighted average number of issued shares ('000)	225 004	196 767		

ANNEXURE A DETAILS OF SUBSIDIARIES

at 30 June 2001

Name and nature of business	Issued capital R	Percentage held %	Cost of investment less goodwill written off R	Amounts owing R
<i>Directly owned subsidiaries</i>				
Net1 Support Services (Proprietary) Limited Support service and development and deployment of smart card technology	1	100	1	82 035 287
Net1 Southern Africa (Proprietary) Limited Consulting, software development, maintenance, distribution of smart cards, electronic credit card and smart card recognition devices	200	100	2 311 240	2 750 255
Net1 Finance Holdings (Proprietary) Limited Holding company of micro-finance interests	100	100	100	4 155 714
Net1 Investment Holdings (Proprietary) Limited Patent holder and African operations	200	100	19 567 645	-
Cash Paymaster Services (Proprietary) Limited Distribution of social welfare grants	4 000	100	13 639 093	(1 760 000)
Maxada Investment Holdings (Proprietary) Limited Dormant	100	50	-	(2 283 867)
<i>Indirectly owned subsidiaries</i>				
Commutercard (Proprietary) Limited Dormant	100	100	-	-
Net1 Loyalty (Proprietary) Limited Dormant	100	100	-	-
Net1 Payroll (Proprietary) Limited Dormant	1	100	-	-
Moneyline Financial Services (Proprietary) Limited Micro-finance : short term	1 000	100	-	-
New World Finance (Proprietary) Limited Micro-finance : short and medium term	1 000	100	-	-
Milpay Pay System (Proprietary) Limited Development and implementation of micro-finance technological solutions	400	100	-	-
Friedland 020 Investments (Proprietary) Limited Franchising of micro-finance solutions	100	100	-	-

ANNEXURE A DETAILS OF SUBSIDIARIES

at 30 June 2001

Name and nature of business	Issued capital R	Percentage held %	Cost of investment less goodwill written off R	Amounts owing R
Net1 Solutions (Proprietary) Limited Implementation of smart card technology and solutions	100	100	-	(6 268)
Country on a Card (Proprietary) Limited Development of loyalty programmes	100	100	-	-
Cash Paymaster Services Namibia (Proprietary) Limited Dormant	1	100	-	-
Cash Paymaster Services Gauteng (Proprietary) Limited Distribution of social welfare grants in Gauteng	100	70	-	-
Cash Paymaster Services Northern (Proprietary) Limited Distribution of social welfare grants in Northern Province	100	70	-	-
Cash Paymaster Services Northwest (Proprietary) Limited Distribution of social welfare grants in Northwest Province	100	70	-	-
Cash Paymaster Services Mpumalanga (Proprietary) Limited Dormant	100	70	-	-
Cash Paymaster Services Northern Cape (Proprietary) Limited Distribution of social welfare grants in Northern Cape	100	70	-	-
Cash Paymaster Services Kwazulu Natal (Proprietary) Limited Distribution of social welfare grants in Kwazulu Natal	100	70	-	-
Cash Paymaster Services Western Cape (Proprietary) Limited Dormant	100	100	-	-
Cash Paymaster Services Eastern Cape (Proprietary) Limited Dormant	100	100	-	-
Siyeza Security Services (Proprietary) Limited Holding company of security interests	100	100	-	-
Friedland 033 Investments (Proprietary) Limited Provision of security services in Gauteng	333	98	-	-
Sinqobile Security Services Northwest (Proprietary) Limited Provision of pension and other security services in Northwest Province	100	70	-	-
Siyeza Security Services Northern Cape (Proprietary) Limited Provision of pension and other security services in Northern Cape	100	70	-	-
Friedland 035 Investments (Proprietary) Limited, trading as Age Secure Provision of financial services to pensioners	100	100	-	-
			35 518 079	84 891 121

ANALYSIS OF SHAREHOLDERS

at 30 June 2001

		Number of shareholders	% of total	Number of shares	% of total
Size of holding					
1 - 10 000		490	71.1	1 574 545	0.7
10 001 - 50 000		91	13.2	2 027 797	0.9
50 001 - 100 000		22	3.2	1 616 246	0.7
100 001 - 1 000 000		55	8.0	20 375 452	8.9
Over 1 000 000 shares		31	4.5	204 219 814	88.8
		689	100.0	229 813 854	100.0

Classification of holdings

Insurance companies, corporate bodies and deceased estates	64	9.3	29 077 990	12.7
Nominee companies	66	9.6	163 238 900	71.0
Individuals	559	81.1	37 496 964	16.3
	689	100.0	229 813 854	100.0

Major shareholders

Nedcor Bank Limited	60 077 902	26.1
Standard Bank Nominees (Tvl) (Proprietary) Limited ⁽¹⁾	46 186 812	20.1
S C P Belamant	17 666 859	7.7
First National Nominees (Proprietary) Limited ⁽²⁾	15 370 978	6.7
Nedcor Bank Nominees Limited	9 662 938	4.2
First National Bank of South Africa Limited	7 258 160	3.2
Trading Kinsley	6 000 000	2.6
SFSS Nominees (Proprietary) Limited	5 020 748	2.2

(1) Included in Standard Bank Nominees (Tvl) (Proprietary) Limited are the following major shareholders:

- African Harvest Equity Fund	7 000 000	3.0
- Coronation New Era Growth Fund	5 911 844	2.6
- FT NIB Growth Fund	5 097 700	2.2
- FT NIB Prime Select Fund	4 986 700	2.2

(2) Included in First National Nominees (Proprietary) Limited is the following major shareholder:

- Momentum Life Assurers	9 298 678	4.1
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fourth annual general meeting of the shareholders of Net1 Applied Technology Holdings Limited will be held in the boardroom at 4th Floor, North Wing, President Place, Corner Jan Smuts Avenue and Bolton Road, Rosebank, on 5 December 2001 at 10h00 for the following purposes:

1. To receive and consider the annual financial statements for the financial year ended 30 June 2001.
2. To elect directors in accordance with the provisions of the articles of association of the company. In terms of the company's articles of association, Mr. DAJ Donald retires. The retiring director is eligible and offers himself for re-election.
3. To consider and if deemed fit, to pass, with or without modification, the following ordinary resolution:

"Resolved that the unauthorised but unissued shares in the company be placed under the control of the directors of the company to allot or issue such shares at their discretion, subject to the provisions of the Companies Act and the rules and requirements of the JSE Securities Exchange SA ("JSE")."

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

"Resolved that the directors of the company be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued shares in the capital of the company for cash, as and when they in their discretion deem fit to persons qualifying as public shareholders subject to the limitations imposed by the JSE's listings requirements:

- that this authority shall be valid until the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date that this authority is given, whichever date is the earlier;
- that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue of shares representing, on a cumulative basis within one year, 5% or more of the number of the company's shares in issue prior to any such issue;
- that issues in the aggregate in any one year shall not exceed 15% of the number of the shares of the company's issued share capital, based on the number of shares in issue at the date of such application less any shares of the same class issued during the financial year, provided that any share of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though these shares were in issue at the date of application; and
- that in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares over the 30 business days prior to either the date of the paid press announcement or, where no press announcement is required and none has been made, the date of issue of the shares. Issues at a discount greater than 10% may be undertaken subject to specific shareholder consent."

In terms of the JSE's Listing Requirements the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting is required for the authority in resolution 4 above to become effective.

5. To consider and if deemed fit, to pass, with or without modification, the following special resolution:

"Resolved that the company, and any of its subsidiaries, be and is hereby authorised by way of a general authority, subject to the provisions of the statutes and the rules and requirements of the JSE, to acquire ordinary shares in its issued share capital from time to time, subject to the following limitations:

- this authority shall only be valid until the company's next annual general meeting provided that it will not extend beyond fifteen months from the date this authority is given;
- the general share repurchase shall be limited to a maximum of 20% of the company's issued ordinary shares in existence at the date this authority is given; and

- no repurchase of shares shall be made at a price more than 10% above the average, weighted by volume of sales, of the market value of ordinary shares for the five business days immediately preceding the date of purchase, and
- a paid press announcement containing full details of such repurchase is published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition.”

The directors of the company and its subsidiaries (“the group”) are of the opinion, after considering the effect of a maximum repurchase of shares, that:

- the group will be able, in the ordinary course of business, to pay its debt;
- the consolidated assets of the group, fairly valued in accordance with Generally Accepted Accounting Practice, will be in excess of the consolidated liabilities of the company;
- the group will have adequate capital for a period of 12 (twelve) months after the date of this notice; and
- the working capital of the company will be adequate for a period of 12 (twelve) months after the date of this notice.

The reason for and effect of this special resolution is to grant a renewable general authority to the directors to acquire ordinary shares of the company which are in issue from time to time.

Voting and proxies

Each shareholder of ordinary shares in the company who, being an individual, is present in person or, being a company, is represented at the general meeting, is entitled to one vote on a show of hands. On a poll, each shareholder of the company, whether present in person or by proxy, is entitled to one vote for each share held.

Each shareholder of the company entitled to attend and vote at the general meeting may appoint one or more proxies as alternates (none of whom need be a shareholder of the company), to attend, speak and vote in his stead. The completion and lodging of a proxy form will not preclude a shareholder from attending, speaking and voting to the exclusion of the proxy so appointed.

If you have dematerialised your shares with a CSDP or broker, you must arrange with the CSDP or broker concerned to provide you with the necessary authorisation to attend the annual general meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker concerned.

A blue proxy form is attached with this notice for use by shareholders who are unable to attend the general meeting. Duly completed proxy forms must be returned to the company’s transfer secretaries, Ultra Registrars (Proprietary) Limited, 11 Diagonal Street, Johannesburg or PO Box 4844, Johannesburg 2000, to reach them by not later than 16h00 on 21 January 2002.

By order of the board
Johannesburg
19 November 2001

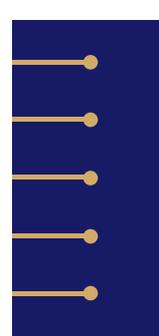
Light & Livingstone Financial Services CC
Secretary

ADMINISTRATION

COMPANY REGISTRATION NUMBER	1997/007207/06
SECRETARY AND REGISTERED OFFICE	Light and Livingstone Financial Services CC 3rd Floor, Palm Grove 196 Louis Botha Avenue Houghton Estate PO Box 46079, Orange Grove, 2119
HEAD OFFICE	4th Floor. President Place 148 Jan Smuts Avenue, Rosebank, 2128 PO Box 2424, Parklands, 2121
AUDITORS	Fisher Hoffman PKF (JHB) INC. FHS House 15 Girton Road, Parktown, 2193 Private Bag X30500, Houghton, 2041
BANKERS	Nedbank, a division of Nedcor Limited
TRANSFER SECRETARIES	Ultra Registrars (Proprietary) Limited 11 Diagonal Street Johannesburg, 2001 PO Box 4844, Johannesburg, 2000
ATTORNEYS	Fluxman Rabinowitz Raphaely Weiner
SPONSOR	Merrill Lynch

SHAREHOLDERS' DIARY

ANNUAL GENERAL MEETING	January 2002
INTERIM RESULTS ANNOUNCEMENT	February 2002
AUDITED FINANCIAL RESULTS	August 2002



Notes

1. A member may insert the name of a proxy of the member's choice in the space provided. Should the name of a proxy not be inserted it will be deemed to be a proxy in favour of the chairman of the annual general meeting. A proxy need not be a member of the company.
2. A member is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A member's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the member in the appropriate box/(es).
3. A member or his proxy is not obliged to use all the votes exercisable by the member, or to cast all those votes exercisable in the same way, but the total votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member.
4. If a member does not indicate on the form that his proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s), or amendment(s) which may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he deems fit.
5. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to the form of proxy, unless previously recorded by the company or waived by the chairman of the annual general meeting.
6. Any alteration or correction made to this form (including the deletion of alternatives other than those indicating singular or plural) must be initialed by the signatory.
7. A minor must be assisted by his/her natural parent or legal guardian.
8. The completion and lodging of this form of proxy will not preclude the member from attending the annual general meeting and speaking and voting in person at such meeting to the exclusion of the proxy appointed in terms thereof, should he/she wish to do so.
9. This form of proxy should be completed and returned to the company's transfer secretaries, Ultra Registrars (Proprietary) Limited, 11 Diagonal Street, Johannesburg 2001, PO Box 4844, Johannesburg, 2000, to be received by not later than 16h00 on Monday, 21 January 2002.
10. The chairman of the annual general meeting may reject or accept any proxy form which is completed and/or received other than in compliance with the articles of association of the company or these notes.

ES2S

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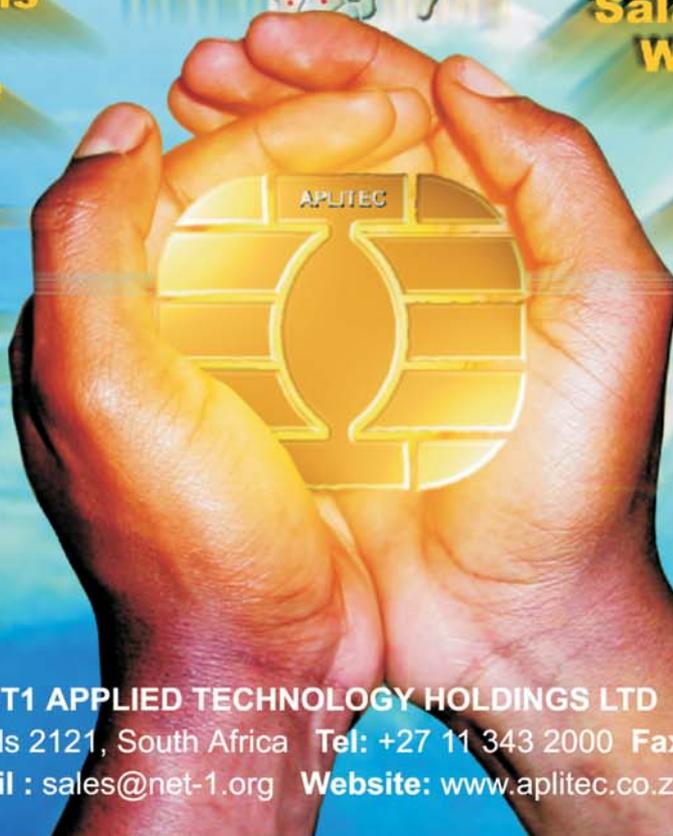
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NET1 APPLIED TECHNOLOGY HOLDINGS LTD

PO Box 2424, Parklands 2121, South Africa Tel: +27 11 343 2000 Fax: +27 11 880 7080

e-mail : sales@net-1.org Website: www.aplitec.co.za



APLITEC

NET1 Applied Technology Holdings Ltd.

(Incorporated in the Republic of South Africa)

(Registration number 1997/007207/06)

("Aplitec" or "the company")

FORM OF PROXY

For the fourth annual general meeting

I/We

(Name/(s) in block letters) of

being a member/members of Aplitec and entitled to

votes,

do hereby appoint

or failing him/her

the chairman of the annual general meeting as my/our proxy at the annual general meeting of the company to be held at 10h00 on Wednesday, 23 January 2002, and at any adjournment thereof, in the boardroom at 4th Floor, North Wing, President Place, cnr Jan Smuts Avenue and Bolton Road, Rosebank, and to vote for me/us on my/our behalf in respect of the undermentioned resolutions in accordance with the following instructions (see note 2).

	Number of votes (one vote per share)		
	For	Against	Abstain
1. Adoption of annual financial statements			
2. Election of directors			
D A J Donald			
3. Place unissued shares under directors' control			
4. Authorise directors to issue shares for cash			
5. Authorise directors to affect share buy-backs			

Signed at

on

Signature

Assisted by me

(where applicable - see note 7 overleaf)

Please read notes overleaf

