GRAND PARADE

INVESTMENTS

Circular to Shareholders

2011

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions commencing on page 9 of this circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY GPI SHAREHOLDERS

- If you are in any doubt as to what action you should take, you should consult your CSDP, broker, banker, legal adviser, accountant or other professional adviser immediately.
- If you have disposed of all of your GPI ordinary shares, please forward this circular together with the attached form of proxy (blue), to the purchaser to whom, or the CSDP or Broker or Agent through whom the disposal was effected.
- Shareholders of GPI are referred to page 1 of this circular, which sets out the action required by them in respect of this circular.

GRAND PARADE

INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number: 1997/003548/06)
Share Code: GPL ISIN: ZAE000119814
("**GPI**" or "**the Company**")

CIRCULAR TO SHAREHOLDERS

Regarding:

- **the sale by GPI and BVI of the SunWest Sale Shares to SISA against payment of the SunWest Purchase Price;**
- **the sale by GPI of the Worcester Sale Shares to SISA against payment of the Worcester Combined Purchase Price;**
- **the sale by Utish and GPI of the RAH Offer Shares to SISA following the RAH Offer, such offer to be made following the fulfilment of the RAH Precondition; and**
- **the Restructure of Management Arrangements;**

and incorporating:

- **a notice of a general meeting of GPI shareholders; and**
- **a form of proxy for use by certificated and "own name" dematerialised shareholders only.**

PSG CAPITAL
PSG Capital (Pty) Limited
Sponsor

ERNST & YOUNG
Quality In Everything We Do
Ernst & Young Incorporated
Auditors and Reporting Accountants

BERNADT VUKIC POTASH & GETZ ATTORNEYS
Bernadt, Vukic , Potash and Getz
Attorneys

Leaf Capital
Leaf Capital (Pty) Limited
Corporate Advisors

pwc
PricewaterhouseCoopers
Additional Independent Reporting Accountants

Date of issue: 15 August 2011

Copies of this circular are available in English only and may, from 15 August 2011 until 14 September 2011 (both days inclusive), be obtained from the registered office of GPI, the sponsor and the transfer secretaries, at the addresses set out in the "Corporate Information" section of this circular. A copy of this circular will also be available on GPI's website (www.grandparade.co.za).

CORPORATE INFORMATION

Company Secretary and Registered Office
Lazelle Parton
(BA Political Science)
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22 Riebeeck Street
Cape Town, 8001
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Telephone: (021) 418 5552/3
Facsimile: (021) 419 8219

Auditors and Independent Reporting Accountants
Ernst & Young Incorporated
Ernst & Young House
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Cape Town, 8001
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Facsimile: (021) 443 1200

Additional Independent Reporting Accountants
PricewaterhouseCoopers Inc
1 Waterhouse Place, Century City
Cape Town, 7441
(PO Box 2799, Cape Town, 8000)
Telephone: (021) 529 2000
Facsimile: (021) 529 3300

Corporate Advisors
Leaf Capital (Pty) Limited
(Registration number: 1997/020724/07)
5th Floor, Protea Place
Cnr Protea Road and Dreyer Street
Claremont
Cape Town, 7708
(PO Box 44302, Claremont, 7735)
Telephone: (021) 425 2295
Facsimile: (021) 421 3119

Transfer Secretaries
Computershare Investor Services (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

Sponsor
PSG Capital (Pty) Limited
(Registration number: 2006/015817/07)
1st Floor Ou Kollege Building, 35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)
Telephone: (021) 887 9602
Facsimile: (021) 887 9619

and at: Ground Floor, DM Kisch House
Inanda Greens Business Park
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Sandton, 2196
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Legal Advisors
Bernadt, Vukic, Potash and Getz
11th Floor, No 1 Thibault Square
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Annexures

ACTION REQUIRED BY GPI SHAREHOLDERS

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

2. Certificated or "own name" dematerialised shareholders who are unable to attend the general meeting of shareholders to be held at 18:00 on Wednesday, 14 September 2011 at Market Hall, GrandWest Casino, Goodwood, Western Cape and wish to be represented thereat, must complete and return the attached form of proxy (*blue*) in accordance with the instructions contained therein to the transfer secretaries of GPI, being Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107), so as to be received by them not later than 18:00 on Monday, 12 September 2011.

3. Dematerialised shareholders, other than those with "own name" registration, must inform their CSDP or broker of their intention to attend the general meeting in order for such CSDP or broker to be able to issue them with the necessary Letter of Representation to enable them to attend such meeting or, alternatively, should they not wish to attend the general meeting, they should provide their CSDP or broker with their voting instructions. This must be effected in terms of the agreement entered into between the shareholder and his/her CSDP or broker.

IMPORTANT DATES AND TIMES

Proposed Restructure announced by GPI on SENS	Monday, 16 May 2011
Proposed Restructure announced by GPI in the press	Tuesday, 17 May 2011
Circular incorporating notice of general meeting and form of proxy, posted to GPI shareholders	Monday, 15 August 2011
Forms of proxy for the general meeting to be lodged with the Transfer Secretaries by no later than 18:00 on	Monday, 12 September 2011
General meeting to be held at 18:00 on	Wednesday, 14 September 2011
Results of the general meeting released on SENS	Thursday, 15 September 2011
Fulfilment of all conditions precedent to the Proposed Restructure and announcement thereof on SENS (estimated date)	Friday, 28 October 2011

Notes:

1. The above dates and times are subject to amendment. Details of any such amendment will be released on SENS.

SALIENT FEATURES

The salient features of the Proposed Restructure, as set out below, should be read in conjunction with this circular as a whole for a full appreciation thereof. The definitions commencing on page 9 of this circular also apply to the salient features.

1 **INTRODUCTION**

1.1 In a SENS announcement released by GPI on 16 May 2011, shareholders were advised that GPI had entered into the Heads with SIL and various other parties so as to rearrange SIL's and GPI's common interests in certain of their shared investments.

1.2 The Proposed Restructure comprises:

1.2.1 the Disposals, comprised of:

1.2.1.1 the SunWest Disposal;
1.2.1.2 the Worcester Disposal; and
1.2.1.3 subject to the fulfilment of the RAH Precondition, the RAH Offer;

1.2.2 the Restructure of Management Arrangements, comprised of:

1.2.2.1 the cancellation of the Manco Agreements; and
1.2.2.2 the cancellation of the SIML Management Agreements to be replaced by the Management and Royalty Agreements,

full particulars of which are set out in the body of this circular.

1.3 The Proposed Restructure coincides with the agreed removal of certain existing lock-in obligations previously agreed with SIL, in terms of which GPI is required to maintain a black shareholding of at least 35% and pursuant to which certain black GPI shareholders bound themselves only to dispose of their GPI shares to other suitably qualified black persons. The removal of GPI's lock-in requirements will allow GPI to release those of its black shareholders currently participating in the lock-in structure from their restriction agreements in advance of the June 2012 lock-in expiration date, and, in so doing, further empower such GPI shareholders. In addition, the Worcester SHA and SunWest SHA will be cancelled and replaced with new shareholders' agreements, which will allow GPI to further its own gaming interests independently.

2 INDIVISIBILITY

The SunWest Disposal (paragraph 1.2.1.1 above), the Worcester Disposal (paragraph 1.2.1.2 above), the RAH Offer (paragraph 1.2.1.3 above), the cancellation of the Manco Agreements (paragraph 1.2.2.1 above) and the cancellation of the SIML Management Agreements and replacement by the Management and Royalty Agreements (paragraph 1.2.2.2 above) are all indivisibly inter-related with each other in that if any one or more of them is/are not implemented for any reason whatsoever, then the others shall not be implemented.

3 CATEGORISATION AND SHAREHOLDER APPROVAL

3.1 In terms of the JSE Listings Requirements the Disposals are deemed to be a Category 1 disposal by GPI requiring shareholder approval by means of an ordinary resolution of GPI shareholders.

3.2 The Restructure of Management Arrangements does not involve an acquisition or disposal. Accordingly, it is not categorised as a transaction for purposes of the JSE Listings Requirements and the JSE Listings Requirements do not require GPI shareholder approval for the Restructure of Management Arrangements.

4 PURPOSE OF THIS CIRCULAR

The purpose of this circular is to inform GPI shareholders of the details of the Proposed Restructure, as well as to convene a general meeting of GPI shareholders to consider, and if deemed fit, to approve the requisite resolutions authorising the Disposals, in accordance with the requirements of the JSE Listings Requirements.

5 APPLICATION OF THE PROCEEDS OF THE PROPOSED RESTRUCTURE

5.1 The consideration for the Proposed Restructure is attributed as follows:

	(Rm)	**Cash received by GPI (Rm)**
Proceeds of the Disposals:		718.4
SunWest Purchase Price	251.8	
Worcester Combined Purchase Price [3]	15.2	
RAH Purchase Price [1]	451.4	
Restructure of Management Arrangements: [2]		67.4
Total cash received by GPI		**785.8**

Notes:

(1) The value of RAH implies an RAH share price of R4.08 which will be increased by the cash flows of RAH available for distribution plus a pro rata share of the dividends to be received from RAH's underlying investments, up until the date that the RAH Offer is made, if applicable, in accordance with RAH's prevailing dividend policies (subject to funding and liquidity requirements).

(2) This amount includes the cancellation fee which will accrue to GPI through its 50.0% holding in WC Manco, 5.7% holding in National Manco, its holding in Worcester Manco and 30.6% holding in RAH, which holds 25.3% in National Manco. RAH's portion of the cancellation fee shall be paid to RAH shareholders in terms of an increase to the share price referred to in note (1) above.

(3) The Worcester Sale Agreement provides for an initial disposal of 4 322 352 Worcester Initial Sale Shares against a consideration of R14.9 million. As set out in paragraph 4.13 of the circular, following the Community Trust Buyback SISA shall purchase an additional 100 400 ordinary shares in the issued share capital of Worcester against payment of a purchase price of R345 506. The Worcester Combined Purchase Price, being the combined purchase price, is accordingly R15.2 million.

5.2 It is estimated that tax payable by GPI will amount to R8.1 million resulting in net proceeds of R777.7 million (**"Net Cash Proceeds"**).

5.3 The Net Cash Proceeds will be applied towards the repayment of debt and the board intends to pay a special dividend to shareholders (see paragraph 5.5 below), with the balance being retained for the pursuit of certain new investment opportunities in a manner in which the board believes is optimal for GPI.

5.4 The board's aim is to ensure that GPI's capital structure is such that cash flow generated by its operating business can service its debt obligations and that the dividends received from SunWest, Worcester and Akhona GPI can be passed through to GPI's shareholders. In line with this aim, the board estimates that R215.0 million out of a total of R362.9 million of debt will be repaid as part of the Proposed Restructure. The board believes this will leave GPI with an improved capital structure and greater financial flexibility.

5.5 Consistent with GPI's strategy, the board believes that a significant portion of the Net Cash Proceeds should be distributed to GPI shareholders. Accordingly, the board intends to make a special dividend payment of 50 cents per GPI share, subject to the successful implementation of the Proposed Restructure and other regulatory approvals. An announcement setting out the full details of such a special dividend payment will be made in due course. Annual dividends will continue in-line with the Company's current dividend policy.

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6 *PRO FORMA* FINANCIAL EFFECTS OF THE DISPOSALS AND THE RESTRUCTURE OF MANAGEMENT ARRANGEMENTS

The unaudited *pro forma* financial effects of the Proposed Restructure (comprising the Disposals and the Restructure of Management Arrangements), as set out below, are the responsibility of the directors of GPI. The unaudited *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information has been prepared and in terms of GPI's accounting policies. The unaudited *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of GPI's financial position, nor of the effect on future earnings post the implementation of the Proposed Restructure.

These unaudited *pro forma* financial effects as set out below should be read in conjunction with the unaudited *pro forma* statement of financial position and statement of comprehensive income as set out in Annexure 1, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in Annexure 1. The independent reporting accountant's report on the *pro forma* financial information appears at Annexure 2 to this circular.

These unaudited *pro forma* financial effects as set out below are based on the published unaudited interim financial results of GPI for the six months ended 31 December 2010 and on the assumption that:

• For purposes of the earnings per share, headline earnings per share and adjusted headline earnings per share calculations:

  - the Proposed Restructure was effected on 1 July 2010 and the table below shows the *pro forma* impact on the interim period for the six months ended 31 December 2010;
  - finance costs of R9.2 million for the period up to 31 December 2010 that accrued on the R215.0 million of borrowings which are estimated to be repaid, have been reversed;
  - transaction costs and break fees for the cancellation of debt arrangements are estimated to be R14.6 million;
  - the proceeds of the Proposed Restructure were received on 1 July 2010 and that such proceeds (less R215.0 million of estimated debt repayment) earned an after tax return of 5.8% during the interim period ended 31 December 2010;

- the portion of the impairment of Worcester recorded in the published interim financial results for the six months ended 31 December 2010 that relates to the shares being sold, has been reversed;
- tax rates of 28% and 14% were applied to revenue and capital items respectively, where applicable;
- the adjusted headline earnings per share is prepared on the same basis as headline earnings per share except that transaction fees and one-off non-recurring items have been excluded;

• For purposes of the net asset value and tangible net asset value per share calculations;
  - the Proposed Restructure was effected on 31 December 2010;
  - available for sale fair value reserves on the investments sold were released from equity and accounted for in the net profit for the period;
  - the excess of the consideration received over the carrying value of the assets disposed of, the share of the cancellation fees paid and received and any impairments were recognised directly in equity.

	(Unaudited) Before the Proposed Restructure (cents) (1)	**(Unaudited) After the Proposed Restructure (cents)**	**Change (%)**
Earnings/(loss) per share (2)	4.75	3.52	(26%)
Headline earnings/(loss) per share(2)	11.56	12.91	12%
Adjusted headline earnings/(loss) per share(3)	12.00	12.72	6%
Net asset value per share(2)	383	375	(2%)
Tangible net asset value per share(2)	351	343	(2%)

Notes

(1) Extracted from the published unaudited interim financial results of GPI for the six months ended 31 December 2010.

(2) Based on a weighted average of 462 331 319 GPI shares in issue during the interim period ended 31 December 2010.

(3) Based on a weighted average 456 511 319 GPI shares in issue (excluding treasury shares of 5,820,000) at 31 December 2010.

7 GENERAL MEETING AND ACTION REQUIRED

7.1 A general meeting of GPI shareholders will be held at 18:00 on Wednesday, 14 September 2011 at Market Hall, GrandWest Casino, Goodwood, Western Cape to consider and, if deemed fit, pass the resolutions, with or without modification, necessary to approve the Disposals. A notice convening the General Meeting is contained in this circular as well as a form of proxy (*blue*) for those certificated and "own name" dematerialised shareholders who will be unable to attend the general meeting but wish to be represented thereat.

7.2 Certificated or "own name" dematerialised shareholders who are unable to attend the general meeting but wish to be represented thereat are requested to complete the attached form of proxy and return it in accordance with the instructions and notes contained therein to the transfer secretaries, being Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by not later than 18:00 on Monday, 12 September 2011.

7.3 In terms of the custody agreements entered into by dematerialised shareholders and their CSDP's or brokers:

7.3.1 dematerialised shareholders, other than "own name" dematerialised shareholders, that wish to attend the general meeting, must instruct their CSDP or broker to issue them with the necessary Letter of Representation to attend the general meeting;

7.3.2 dematerialised shareholders, other than "own name" dematerialised shareholders, that wish to be represented at the general meeting by way of proxy, must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

7.4 The date of which shareholders must be recorded on the share register for purposes of being entitled to attend and vote at the general meeting is Friday, 9 September 2011. Accordingly, the last day to trade to be entitled to attend and vote at the general meeting is Friday, 2 September 2011.

DEFINITIONS

In this circular and the annexures thereto, unless otherwise stated or the context indicates a contrary intention, the following expressions shall have the meanings set out opposite them. Cognate expressions bear corresponding meanings, words denoting one gender shall import and include the others, natural persons shall import and include juristic persons and *vice versa* and the singular shall import and include the plural and *vice versa*, as follows:

"the Act"	the Companies Act, No 71 of 2008 (as amended);
"Akhona GPI"	Akhona Gaming Portfolio Investments (Proprietary) Limited (registration number 2001/007015/07), a private company incorporated in accordance with the laws of South Africa and jointly controlled by Akhona Investments Holdings 2005 Limited and the Akhona Governing Body Trust;
"the board" or "the directors"	the board of directors of GPI in office from time to time;
"business day"	any day, other than a Saturday, Sunday or official public holiday in South Africa;
"BVI"	Business Venture Investments No 575 (Proprietary) Limited (registration number 2000/029598/07), a private company incorporated in accordance with the laws of South Africa, and being a wholly-owned subsidiary of GPI;
"Cancellation Agreements"	collectively, the WC Manco Cancellation Agreement and the Worcester Manco Cancellation Agreement;
"Carnival City" or "Afrisun"	Afrisun Gauteng (Proprietary) Limited (registration number 1997/005504/07), a private company incorporated in accordance with the laws of South Africa, controlled by SIL as at 30 June 2010;
"certificated shares"	shares which have not been dematerialised, title to which is represented by a share certificate(s) or other document(s) of title;
"certificated shareholders"	holders of certificated shares;

“the circular” or “this circular”	this bound document dated 15 August 2011, including the annexures, the notice of general meeting and form of proxy;
“Community Trust”	Breede River Valley Community Trust, a trust established in South Africa with Master’s reference number IT1519/09;
“Community Trust Buyback”	the acquisition by Worcester of 400 000 (four hundred thousand) ordinary shares in its issued share capital held by the Community Trust, as detailed in paragraph 4.12 below;
“Competition Authorities”	the Competition Commission, the Competition Tribunal and/or the Competition Appeal Court (as the case may be), contemplated in the Competition Act, No 89 of 1998 (as amended);
“CSDP”	a Central Securities Depository Participant as defined in the Securities Services Act, 2004 (Act 36 of 2004);
“dematerialised shares”	shares which have been dematerialised through a CSDP or broker and replaced by electronic record(s) of ownership under the Strate system;
“dematerialised shareholders”	holders of dematerialised shares;
“the Disposals”	collectively, the SunWest Disposal, the Worcester Disposal and the RAH Offer, as contemplated in the Transaction Agreements and the Heads;
“Gambling Board”	the Western Cape Gambling and Racing Board;
“Gambling Legislation”	the Western Cape Gambling and Racing Act, No 4 of 1996 (as amended);
“General Meeting”	the general meeting of GPI shareholders to be held at 18:00 on Wednesday, 14 September 2011 at Market Hall, GrandWest Casino, Goodwood, Western Cape for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions contained in the notice of the general meeting, attached to and forming part of this circular;

"GPI" or "the Company"	Grand Parade Investments Limited (registration number 1997/003548/06), a company incorporated in accordance with the laws of South Africa on or about 12 March 1997, and listed as an investment entity on the JSE;
"GPI Group"	GPI and its subsidiaries;
"GPI BBBEE Trust"	Grand Parade Investments Limited Broad-Based Black Economic Empowerment Trust, a broad-based black economic empowerment trust established in South Africa with Master's reference number IT1881/2006, having approximately 1,200 beneficiaries and controlled by its trustees;
"GPI Share Incentive Trust"	Grand Parade Share Incentive Trust, a trust established in South Africa with Master's reference number IT852/2009 established in order to incentivise GPI employees;
"GPI SPV Trust"	Grand Parade Investments Limited Special Purpose Vehicle Trust, a trust established in South Africa with Master's reference number IT1882/2006;
"Heads"	the binding heads of agreement entered into on 13 May 2011 by SIL, SISA, GPI, SIML, SunWest, Worcester, BVI and Utish in respect of the Proposed Restructure and related issues;
"Implementation Date"	in respect of all transactions forming part of the Proposed Restructure, the date of actual payment of the RAH Purchase Price;
"Interim Period"	the period from 1 July 2011 up to the Implementation Date (both dates included);
"the JSE"	JSE Limited (registration number 2005/022939/06), a company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004);
"the last practicable date"	the last practicable date before finalisation of this circular, being Friday, 29 July 2011;
"the Listings Requirements"	the Listings Requirements of the JSE in force from time to time;

"Management and Royalty Agreements"	collectively: - the management and royalty agreement entered into on 19 July 2011 by SIML and SunWest in terms of which, *inter alia*, SIML will render various services to SunWest in respect of the management and operations of the GrandWest Casino and pursuant to which SunWest will pay to SIML a management and royalty fee; - the management and royalty agreement entered into on 19 July 2011 by SIML and SunWest in terms of which, *inter alia*, SIML will render various services to SunWest in respect of the management and operations of the Table Bay Hotel and pursuant to which SunWest will pay to SIML a management and royalty fee; and - the management and royalty agreement entered into on 19 July 2011 by SIML and Worcester in terms of which, *inter alia*, SIML will render various services to Worcester in respect of the management and operations of the Golden Valley Casino and pursuant to which Worcester will pay to SIML a management and royalty fee;
"Manco Agreements"	collectively, the WC Manco Agreement and the Worcester Manco Agreement;
"National Manco"	National Casino Resort Manco (Proprietary) Limited (registration number 1996/010714/07), a company incorporated in accordance with the laws of South Africa and controlled by various empowerment shareholders;
"own-name dematerialised shareholders"	dematerialised shareholders who have instructed their CSDP to hold their dematerialised shares in their "own name" on the sub-register;
"Prime Rate"	the published prime overdraft rate charged by Nedbank Limited to its corporate customers, calculated on the basis of a 365 day year and compounded monthly in arrears;
"Proposed Restructure"	collectively, the Disposals and the Restructure of Management Arrangements;

"PSG Capital"	PSG Capital (Proprietary) Limited (registration number 2006/015817/07), a company incorporated in accordance with the laws of South Africa;
"Proceeds of the Disposals"	collectively, the SunWest Purchase Price, the Worcester Combined Purchase Price and the RAH Purchase Price;
"RAH"	Real Africa Holdings Limited (registration number 1994/003919/06), a company incorporated in accordance with the laws of South Africa, controlled by SIL and registered during or about 1994, listed on the main board of the JSE with its registered office at 27 Fredman Drive, Sandown, Sandton 2031 and having as its transfer secretaries Computershare Investor Services (Pty) Limited, of which the address is set out in the Corporate Information Section of this circular;
"RAH Condition Precedent"	the condition precedent to the RAH Offer, as set out in paragraph 5.5.1 of the circular;
"RAH Offer"	subject to fulfilment of the RAH Precondition, the offer to be made by SISA to Utish and GPI for the RAH Offer Shares and to the remaining RAH minority shareholders, as more fully set out in paragraph 5 below;
"RAH Offer Shares"	110 641 690 (one hundred and ten million, six hundred and forty one thousand, six hundred and ninety) ordinary shares in RAH, comprising 110 535 507 (one hundred and ten million, five hundred and thirty five thousand, five hundred and seven) RAH ordinary shares held by Utish and 106 183 (one hundred and six thousand, one hundred and eighty three) RAH ordinary shares held by GPI, representing in total 29.76% of RAH's issued ordinary share capital (including treasury shares);
"RAH Precondition"	the precondition, as set out in paragraph 5.2 of the circular;
"RAH Purchase Price"	the purchase price payable by SISA to GPI and Utish pursuant to the RAH Offer, in consideration for the RAH Offer Shares, being not less than 408 cents per RAH Offer Share plus any amount arising pursuant to the adjustment set out in paragraph 5.4 of the circular;
"related party"	a related party as defined in paragraph 10.1(b) of the Listings Requirements of the JSE;

"Restructure of Management Arrangements"	the Restructure of Management Arrangements, as set out in paragraph 6.1 of the circular;
"the register"	the register of certificated shareholders maintained by the transfer secretaries and the sub register of dematerialised shareholders maintained by the relevant CSDP's;
"SENS"	the Securities Exchange News Service operated by the JSE;
"the shareholders" or "GPI shareholders"	the holders of the ordinary shares each in the issued share capital of GPI;
"SIL"	Sun International Limited (registration number 1967/007528/06), a company incorporated in accordance with the laws of South Africa and listed on the main board of the JSE;
"SIML"	Sun International Management Limited (registration number 2004/006377/10), a company registered as an external company in accordance with the company laws of South Africa, controlled by SIL;
"SIML Management Agreements"	collectively: - the written operating management agreement entered into between SIML and SunWest in respect of GrandWest casino on 5 February 1998; - the written operating management agreement entered into between SISA, SIML and SunWest in respect of the Table Bay Hotel on 9 February 1998; and - the written operating management agreement entered into between SIML and Worcester on 17 April 2001, in terms of which, *inter alia*, SIML renders various services to SunWest (in respect of the GrandWest casino and the Table Bay Hotel) and Worcester and pursuant to which SunWest and Worcester pay to SIML a management fee;
"SISA"	Sun International (South Africa) Limited (registration number 1977/071333/06), a company incorporated in accordance with the laws of South Africa, controlled by SIL;
"South Africa"	the Republic of South Africa;

“Stripe”	Stripe Investments 7 (Proprietary) Limited (registration number 1998/005125/07), a private company incorporated in accordance with the laws of South Africa, controlled by GPI;
“Strate”	the electronic settlement and clearing system used by the JSE, managed by Strate Limited (registration number 1998/022242/06), a company incorporated in accordance with the laws of South Africa and which is a registered central securities depositary in terms of the Securities Services Act, 2004 (Act 36 of 2004);
“SunWest”	SunWest International (Proprietary) Limited (registration number 1994/003869/07), a private company incorporated in accordance with the laws of South Africa on or about 1994 and controlled by SIL with its registered office at 27 Fredman Drive, Sandown, Sandton 2031 and having as its transfer secretaries Sun International Corporate Services (Pty) Ltd of 27 Fredman Drive, Sandown, Sandton 2031 ;
“SunWest Conditions Precedent”	the conditions precedent to the SunWest Disposal, as set out in paragraph 3.1 of the circular;
“SunWest Disposal”	the disposal by GPI and BVI of the SunWest Sale Shares to SISA on the terms set out in paragraph 3 below of the circular;
“SunWest Fulfilment Dates”	the relevant date or dates for fulfilment of the SunWest Conditions Precedent as set out in paragraph 3.1 of the circular or such later date or dates as may be agreed to in writing between SISA and GPI on or before the aforesaid date or dates, and **“SunWest Fulfilment Date”** shall mean the relevant date for fulfilment of any one of the SunWest Conditions Precedent, as the context may require;
“SunWest Ordinary Shares”	ordinary shares with a par value of R0.10 (ten cents) each in the issued share capital of SunWest;
“SunWest N Shares”	“N” class ordinary shares of R0.0001 (nought comma nought nought nought one rand) each in the issued share capital of SunWest, having the rights, privileges and conditions in Article 69 of SunWest’s articles of association;
“SunWest Purchase Price”	the total purchase price payable by SISA to GPI and BVI in terms of

	the SunWest Sale Agreement, in consideration for the SunWest Sale Shares, and amounting to R251 807 000 (two hundred and fifty one million, eight hundred and seven thousand rand), subject to any reduction that may occur in terms of paragraph 3.12 of this circular;
"SunWest Sale Agreement"	the agreement concluded between GPI, BVI and SISA on or about 19 July 2011 in terms of which GPI and BVI sell the SunWest Sale Shares to SISA against payment of the SunWest Purchase Price, with the material terms of this agreement being set out in paragraph 3 below;
"SunWest SHA"	the written shareholders' agreement entered into between SISA, GPI, Afrisun and SunWest on 24 May 2000, as amended, regulating their relationship as shareholders of SunWest;
"SunWest (BVI) Shares"	collectively, 3 328 (three thousand three hundred and twenty eight) SunWest Ordinary Shares and 391 370 (three hundred and ninety one thousand three hundred and seventy) SunWest N Shares held by BVI, subject to any reduction in number that may occur in terms of paragraph 3.12 of this circular;
"SunWest (GPI) Shares"	collectively, 331 288 (three hundred and thirty one thousand two hundred and eighty eight) SunWest N Shares, held by GPI, subject to any reduction in number that may occur in terms of paragraph 3.12 of this circular;
"SunWest Sale Shares"	collectively, the SunWest (BVI) Shares and the SunWest (GPI) Shares, representing in total 0.12% of the voting rights of the entire issued share capital of SunWest and 4.94% of the economic value attributable to the entire issued share capital of SunWest, subject to any reduction that may occur in terms of paragraph 3.12 of this circular;
"Transaction Completion"	the implementation of the Proposed Restructure, which will comprise: - the payment in full by SISA of the SunWest Purchase Price and delivery by GPI and BVI of all of the documents contemplated in paragraph 3.6 of this circular; - payment by SunWest of the special dividend contemplated in paragraph 3.5 of this circular;

- payment in full by SISA of the Worcester Initial Purchase Price under the Worcester Sale Agreement and the delivery by GPI of all of the documents contemplated in paragraph 4.6 of this circular;
- payment by Worcester of the special dividend contemplated in paragraph 4.5 of this circular; and
- payment in full by SISA of the RAH Purchase Price under the RAH Offer and delivery by GPI and Utish to SISA of all deliverables required in terms of the RAH Offer;

"Transaction Agreements" collectively, the:

- Cancellation Agreements;
- Management and Royalty Agreements;
- SunWest Sale Agreement; and
- Worcester Sale Agreement;

"the transfer secretaries" Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa;

"TRP" The Takeover Regulation Panel, established by section 196 of the Act;

"Utish" Utish Investments (Proprietary) Limited (registration number 2008/015271/07), a private company incorporated in accordance with the laws of South Africa, and being a wholly-owned subsidiary of GPI;

"WC Manco" Western Cape Casino Resorts Manco (Proprietary) Limited (registration number 1997/003875/07), a private company incorporated in accordance with the laws of South Africa, with 50% of its issued share capital being held by BVI and the remaining 50% by National Manco;

"WC Manco Agreement" the written operating management agreement entered into between WC Manco and SunWest on 3 February 1998 in terms of which, *inter alia*, WC Manco renders various services to SunWest in relation to GrandWest casino and pursuant to which SunWest pays to WC Manco a management fee;

"WC Manco Cancellation Agreement"	the agreement entered into on or about 19 July 2011 between SunWest and WC Manco in terms of which they agree to cancel the WC Manco Agreement, as set out in paragraph 6.2 below;
"Worcester"	Worcester Casino (Proprietary) Limited (registration number 1998/016221/07), a private company incorporated in accordance with the laws of South Africa on or about 1998 and controlled by SISA, with its registered office at 27 Fredman Drive, Sandown, Sandton 2031 and having as its transfer secretaries Sun International Corporate Services (Pty) Ltd of 27 Fredman Drive, Sandown, Sandton 2031 ;
"Worcester Conditions Precedent"	The conditions precedent to the Worcester Disposal, as set out in paragraph 4.1 of the circular;
"Worcester Disposal"	the disposal by GPI of the Worcester Initial Sale Shares to SISA on the terms set out in paragraph 4 below of the circular;
"Worcester Fulfilment Dates"	the relevant date or dates for fulfilment of the Worcester Conditions Precedent as set out in paragraph 4.1 of the circular or such later date or dates as may be agreed to in writing between SISA and GPI on or before the aforesaid date or dates, and "**Worcester Fulfilment Date"** shall mean the relevant date for fulfilment of any one of the Worcester Conditions Precedent, as the context may require;
"Worcester Manco"	Winelands Casino Resorts Manco (Proprietary) Limited (registration number 1996/010715/07), a private company incorporated in accordance with the laws of South Africa, controlled by SISA;
"Worcester Manco Agreement"	the written operating management agreement entered into between Worcester Manco and Worcester on 19 February 2008 in terms of which, *inter alia*, Worcester Manco renders various services to Worcester and pursuant to which Worcester pays to Worcester Manco a management fee;
"Worcester Manco Cancellation Agreement"	the agreement entered into on or about 19 July 2011 between Worcester and Worcester Manco in terms of which they agree to cancel the Worcester Manco Agreement, as set out in paragraph 6.2 below;

"Worcester Additional Purchase Price"	the purchase price payable by SISA to GPI in accordance with the Worcester Sale Agreement in consideration for the Worcester Additional Sale Shares, as set out in clause 4.13 of this circular, and amounting to R345 506 (three hundred and forty five thousand, five hundred and six rand);
"Worcester Combined Purchase Price"	collectively, the Worcester Initial Purchase Price and the Worcester Additional Purchase Price;
"Worcester Initial Purchase Price"	the purchase price payable by SISA to GPI in terms of the Worcester Sale Agreement, in consideration for the Worcester Initial Sale Shares, and amounting to R14 874 494 (fourteen million, eight hundred and seventy four thousand, four hundred and ninety four rand), subject to any reduction that may occur in terms of paragraph 4.11 of this circular;
"Worcester Sale Agreement"	the agreement concluded between GPI and SISA on 19 July 2011 in terms of which GPI sells the Worcester Sale Shares to SISA against payment of the Worcester Combined Purchase Price, with the material terms of this agreement being set out in paragraph 4 below;
"Worcester Additional Sale Shares"	100 400 (one hundred thousand, four hundred) ordinary shares in the issued share capital of Worcester, held by GPI;
"Worcester Initial Sale Shares"	4 322 352 (four million, three hundred and twenty two thousand, three hundred and fifty two) ordinary shares in the issued share capital of Worcester, held by GPI, subject to any reduction in number that may occur in terms of paragraph 4.11 of this circular;
"Worcester Sale Shares"	collectively, the Worcester Initial Sale Shares and the Worcester Additional Sale Shares; and
"Worcester SHA"	the written shareholders agreement entered into between GPI, the Community Trust, Stripe, Afrisun, SISA, the Sun International Employee Share Trust and Worcester on 8 April 2010, as amended, regulating their relationship as shareholders of Worcester.

GRAND PARADE

INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1997/003548/06)

Share Code: GPL ISIN: ZAE000119814

("**GPI**" or "**the Company**")

DIRECTORS

Hassen Adams (Executive Chairman) +

Richard Julian Hoption

Sukena Petersen (Financial Director)

Anthony William Bedford *

Faldi Samaai*

Alexander Abercrombie *

Ralph Freese *#

Nombeko Mlambo *#

Norman Victor Maharaj (Lead Independent Director) *#

**Non-executive*

 # Independent

+ Adrian Funkey resigned as chief executive officer of GPI with effect from 30 June 2011. Hassen Adams has assumed the duties of chief executive officer in the interim.

CIRCULAR TO SHAREHOLDERS

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1 INTRODUCTION

1.1 General

1.1.1 In the announcement released on SENS on 16 May 2011, GPI shareholders were advised that GPI had entered into the Heads with SIL and various other parties so as to rearrange SIL's and GPI's common interests in certain of their shared investments.

1.1.2 This circular details the terms of the Proposed Restructure, which comprises:

1.1.2.1 the Disposals; and

1.1.2.2 the Restructure of Management Arrangements,

as set out in the Transaction Agreements.

1.1.3 The purpose of this circular is to provide GPI shareholders with the details of the Proposed Restructure and to convene a general meeting of GPI shareholders to consider, and if deemed fit, to approve the requisite resolutions authorising the Disposals.

1.2 **Indivisibility**

The SunWest Disposal, the Worcester Disposal, the RAH Offer, the cancellation of the Manco Agreements and the cancellation of the SIML Management Agreements and replacement by the Management and Royalty Agreements are all indivisibly inter-related with each other in that if any one or more of them is/are not implemented for any reason whatsoever, then the others shall not be implemented. Paragraphs 3.10, 4.10, 6.3 and 6.7 below contain further details in this regard.

1.3 **Rationale of the Proposed Restructure and future prospects of GPI**

1.3.1 The board believes that the Proposed Restructure provides GPI with the opportunity to realise a fair value for its investments in RAH and for those shares in SunWest and Worcester that are being sold.

1.3.2 The board is also of the opinion that the Proposed Restructure will leave GPI in a strong position in that it will continue to hold significant interests in established businesses that are highly cash generative. GPI will also continue to operate and expand its own gaming assets in the form of its high-growth limited payout machine business.

1.3.3 The WC Manco Agreement currently expires on 31 December 2015, and the Worcester Manco Agreement on 30 April 2016. The new Management and Royalty Agreements will significantly reduce the management costs to the casinos. GPI has always maintained that SIL is the premier operator of casinos in South Africa and believes that the casinos are well-served under its management.

1.3.4 The Proposed Restructure clearly defines the terms of the relationship between GPI and SIL and allows GPI to further its own gaming interests independently, particularly with regard to the operation of its limited payout machine business.

1.3.5 GPI's current lock-in obligations, as agreed with SIL in terms of an option agreement of 17 August 2007, stipulate that for the duration of the lock-in period (until 30 June

2012) GPI is required to maintain a black shareholding of at least 35.0%, pursuant to which certain black GPI shareholders bound themselves only to dispose of their shares in GPI to other suitably qualified black persons. The removal of GPI's lock-in requirements will allow GPI to release those of its black shareholders currently participating in the lock-in structure from their restriction agreements in advance of the June 2012 lock-in expiration date, and in so doing, further empower such GPI shareholders.

1.3.6 After completion of the Proposed Restructure GPI will have the financial capability which, together with its existing broad-based black economic empowerment credentials, will allow it to take advantage of new investment opportunities. The diagram at Annexure 9 to the circular shows the GPI Group structure post-implementation of the Proposed Restructure.

2 THE DISPOSALS

2.1 Categorisation of the Disposals and shareholder approval

2.1.1 In terms of the JSE Listings Requirements the Disposals are deemed to be a Category 1 disposal by GPI requiring shareholder approval by means of an ordinary resolution of GPI shareholders.

2.1.2 The Disposals do not amount to a disposal by GPI of all or the greater part of its assets or undertaking and is therefore not a disposal by GPI in terms of section 112 of the Act. Accordingly, the Disposals do not require shareholder approval by means of a special resolution of GPI shareholders.

2.2 Summary of the Disposals

2.2.1 The Disposals comprise the SunWest Disposal, the Worcester Disposal and the RAH Offer, as contemplated in the Transaction Agreements.

2.2.1.1 SunWest Disposal

The terms of the SunWest Disposal are set out in the SunWest Sale Agreement, the material terms of which are detailed in paragraph 3 below. As set out more fully in that paragraph, subject to fulfilment of the SunWest Conditions Precedent, SISA purchases the SunWest (BVI) Shares from BVI and the SunWest (GPI) Shares from GPI as one indivisible transaction, against payment by SISA to GPI and BVI of the SunWest Purchase Price. Notwithstanding the date of signature of the SunWest Sale Agreement, the SunWest Sale Shares will be sold with effect on and as from the Implementation Date, from which date all risk in and benefits attaching to the SunWest Sale Shares shall be deemed to have passed to SISA.

2.2.1.2 Worcester Disposal

The terms of the Worcester Disposal are set out in the Worcester Sale Agreement, the material terms of which are detailed in paragraph 4 below. As set out more fully in that paragraph, subject to fulfilment of the Worcester Conditions Precedent, GPI sells to SISA the Worcester Initial Sale Shares, against payment by SISA to GPI of the Worcester Initial Purchase Price. Notwithstanding the date of signature of the Worcester Sale Agreement, the Worcester Initial Sale Shares will be sold with effect on and as from the Implementation Date, from which date all risk in and benefits attaching to the Worcester Initial Sale Shares shall be deemed to have passed to SISA.

2.2.1.3 RAH Offer

In terms of the Heads, SISA undertakes, subject to fulfilment of the RAH Precondition, to acquire the RAH Offer Shares from GPI and Utish pursuant to the RAH Offer to minority shareholders of RAH. The RAH Purchase Price payable by SISA to Utish and GPI in consideration for the RAH Offer Shares will be not less than 408 cents per RAH Offer Share plus any amount arising pursuant to the adjustment set out in paragraph 5.4 below. The RAH Offer shall be subject to the fulfilment or waiver of the RAH Conditions Precedent.

2.3 **Description of the business carried on by SunWest, Worcester and RAH**

2.3.1 SunWest owns and operates the GrandWest Casino and the Table Bay Hotel. It also owns a stake in the Cape Town International Convention Centre. These are premium hospitality assets in the Cape Town metropole area.

2.3.2 Worcester owns and operates the Golden Valley Casino, which is located in Worcester and provides guests with an intimate gaming, hotel and leisure experience.

2.3.3 RAH is an investment holding company listed on the JSE with exposure to assets in the form of Sibaya Casino, Carnival City Casino, SunWest and various regional management companies.

3 **THE SUNWEST DISPOSAL**

SunWest Conditions Precedent

3.1 The SunWest Sale Agreement is subject to the following conditions precedent ("**SunWest Conditions Precedent**") that:

3.1.1 by not later than 15 December 2011 (or such later date as may be agreed to in writing between SISA and GPI), the other Transaction Agreements are signed and become unconditional in accordance with their terms (save for any conditions in the other Transaction Agreements requiring that the SunWest Sale Agreement must become unconditional and that the RAH Offer becomes unconditional);

3.1.2 by not later than 1 February 2012 (or such later date as may be agreed to in writing between SISA and GPI), the RAH Condition Precedent has been fulfilled or waived, as the case may be;

3.1.3 by not later than 15 December 2011 (or such later date as may be agreed to in writing between SISA and GPI), to the extent that it may be required, shareholder resolutions of GPI and/or SIL required in terms of the Act or the JSE Listing Requirements are obtained, authorising the implementation of the Proposed Restructure and/or the Transaction Agreements (as the case may be);

3.1.4 by not later than 15 December 2011 (or such later date as may be agreed to in writing between SISA and GPI), to the extent that it may be required, the Competition Authorities approve in writing the implementation of the Proposed Restructure (save for the RAH Offer, which, if made, will be subject to the RAH Condition Precedent) either unconditionally or subject to such conditions as the parties affected thereby may agree in writing are acceptable to them; and

3.1.5 by not later than 15 December 2011 (or such later date as may be agreed to in writing between SISA and GPI), such approval as may be required in terms of the Gambling Legislation and/or the licence conditions (including any approval for an amendment to the licence conditions) contained in the casino operator licence granted to SunWest has been obtained, in writing, from the Gambling Board as a result of the implementation of the Proposed Restructure (save for the RAH Offer, which, if made, will be subject to the RAH Condition Precedent), either unconditionally or subject to such conditions as the parties affected thereby may agree in writing are acceptable to them.

3.2 The SunWest Condition/s Precedent in –

3.2.1 paragraph 3.1.4 cannot be waived; and

3.2.2 paragraphs 3.1.1, 3.1.2, 3.1.3 and 3.1.5 may only be waived by written agreement between SISA and GPI on or before the SunWest Fulfilment Dates, therefore whereupon the condition/s precedent (or part thereof) in respect of which fulfilment shall have been waived, shall be deemed to be *pro non scripto*.

Sale of SunWest Sale Shares to SISA

3.3 In terms of the SunWest Disposal, SISA purchases:

3.3.1 the SunWest (BVI) Shares from BVI; and

3.3.2 the SunWest (GPI) Shares from GPI,

and BVI and GPI sell those shares to SISA, as one indivisible transaction.

Effective date of SunWest Disposal

3.4 Notwithstanding the date of signature of the SunWest Sale Agreement and the SunWest Fulfilment Dates, the SunWest Sale Shares are sold with effect on and as from the Implementation Date, from which date all risk in and benefits attaching to the SunWest Sale Shares shall be deemed to have passed to SISA.

SunWest dividends

3.5 GPI, BVI and SISA shall procure that SunWest continues to pay dividends in the amounts and on the dates consistent with its prevailing dividend policy and current practice used to determine the *quantum* and timing of dividends (subject to the funding, solvency and liquidity requirements of SunWest), provided that they shall procure that a special dividend is declared for the period from the last dividend until the date on which the RAH Offer is made, if applicable, and that such special dividend is paid before transfer of the SunWest Sale Shares. The *quantum* of the special dividend will be a *pro rata* amount calculated with reference to the *quantum* of dividends under the prevailing dividend policy and current practice.

Transfer of SunWest Sale Shares

3.6 On the Implementation Date, GPI and BVI will deliver to SISA, against payment of the SunWest Purchase Price by SISA:

3.6.1 the share certificates and share transfer forms duly executed in respect of the SunWest Sale Shares;

3.6.2 a certified copy of a resolution passed by the directors of SunWest approving the transfer of the SunWest Sale Shares to SISA or its nominee(s) and approving the issue of appropriate new share certificates to SISA or its nominee(s) for the SunWest Sale Shares; and

3.6.3 all other documents necessary to enable SISA to procure the registration of the SunWest Sale Shares into its name or in the name of its nominee(s).

SunWest Purchase Price

3.7 In consideration for the SunWest Sale Shares, SISA shall pay to GPI and BVI the SunWest Purchase Price in cash, against compliance by each of GPI and BVI with all of their obligations in terms of paragraph 3.6 above. The Purchase Consideration shall be paid to GPI and BVI as follows:

3.7.1 R136 900 325 (one hundred and thirty six million, nine hundred thousand, three hundred and twenty five rand) to BVI for the SunWest (BVI) Shares; and

3.7.2 R114 906 675 (one hundred and fourteen million, nine hundred and six thousand, six hundred and seventy five rand) to GPI for the SunWest (GPI) Shares.

Warranties

3.8 Each of GPI and BVI jointly and severally warrants, represents and undertakes to SISA that:

3.8.1 on the Implementation Date each of GPI and BVI will be entitled and able to give free and unencumbered title of their respective SunWest Sale Shares to SISA; and

3.8.2 on the signature date of the SunWest Sale Agreement, the SunWest Fulfilment Dates, the Implementation Date and the entire periods between those dates:

3.8.2.1 each of GPI and BVI will be the sole registered and beneficial owner of their respective SunWest Sale Shares and will be reflected in the register of members of SunWest as the sole owners thereof;

3.8.2.2 the SunWest Sale Shares will collectively constitute 0.12% of the voting rights of the entire issued share capital of SunWest and 4.94% of the economic value attributable to the entire issued share capital of SunWest, or if the number of SunWest Sale Shares is reduced as contemplated in paragraph 3.12 then the applicable percentage, regard being had to the reduction;

3.8.2.3 each of GPI and BVI will, subject to any approvals contemplated in paragraphs 3.1.3, 3.1.4 and/or 3.1.5 being duly obtained, have the power to enter into the SunWest Sale Agreement and all corporate and other actions required to authorise the execution of the SunWest Sale Agreement and the performance of their obligations thereunder will have been duly taken; and

3.8.2.4 save as contemplated in the SunWest Sale Agreement and/or the SunWest SHA, no person will have any right (including any option or right of first refusal) to acquire the SunWest Sale Shares or, to the best of GPI and BVI's knowledge and belief, to subscribe for, take up or acquire any unissued shares in the issued share capital of SunWest, present or future.

3.9 In addition to the warranties, representations and undertakings set out in paragraph 3.8 above, the SunWest Sale Agreement also includes such general warranties and representations by GPI, BVI and SISA as are normal for an agreement of this nature. Save as set out in this circular, GPI and BVI will give no other warranties or representations in respect of the SunWest Sale Shares and the SunWest Sale Shares will be purchased on the basis that they will be purchased by SISA *voetstoots* ("*as is, where is*").

Indivisibility

3.10 The SunWest Sale Agreement is indivisibly inter-related with the Proposed Restructure. Accordingly:

3.10.1 if the SunWest Sale Agreement is cancelled or terminated for any reason after the fulfilment or waiver (if permitted) of all the SunWest Conditions Precedent but prior to Transaction Completion, the Proposed Restructure shall *ipso facto* be cancelled (including, for the avoidance of doubt, the Transaction Agreements) and the status *quo ante* will be restored (but without prejudice to the rights of any aggrieved party to the SunWest Sale Agreement to claim damages); and

3.10.2 if after the fulfilment or waiver (if permitted) of all of the SunWest Conditions Precedent but prior to Transaction Completion, the Proposed Restructure is cancelled or terminated (or, for the avoidance of doubt, if any Transaction Agreement is cancelled or terminated after the fulfilment or waiver (if permitted) of all of the SunWest Conditions Precedent but prior to Transaction Completion), then the SunWest Sale Agreement shall *ipso facto* be cancelled and the status *quo ante* will be restored (but without prejudice to the rights of any aggrieved party to claim damages).

Following the SunWest Sale

3.11 Following implementation of the SunWest Disposal, GPI and BVI will, in aggregate, continue to hold 49.9% of the voting rights attaching to and 25.1% of the economic value attributable to the entire issued share capital of SunWest.

Waiver of pre-emptive rights by GPI and BVI

3.12 Each of GPI and BVI waives all and any rights (whether option rights, rights of pre-emption or otherwise) that it has or may have to purchase the SunWest Sale Shares of the other of them, as a result of the conclusion and implementation of the SunWest Disposal. Nothing shall detract from GPI, BVI and SISA's obligation to comply with the pre-emptive rights procedure contained in the SunWest SHA in favour of the remaining shareholders of SunWest. To the extent that any of the remaining shareholders of SunWest follow their pre-emptive rights in terms of the SunWest SHA, then the number of SunWest Sale Shares and the SunWest Purchase Price payable therefor shall reduce *pro rata* to the number of SunWest Sale Shares being acquired and the purchase price payable therefor in terms of the pre-emptive rights process.

4 **THE WORCESTER DISPOSAL**

Worcester Conditions Precedent

4.1 The Worcester Sale Agreement is subject to the following conditions precedent ("**Worcester Conditions Precedent**") that:

4.1.1 by not later than 15 December 2011 (or such later date as may be agreed to in writing between SISA and GPI), the other Transaction Agreements are signed and become unconditional in accordance with their terms (save for any conditions in the other Transaction Agreements requiring that the Worcester Sale Agreement must become unconditional and that the RAH Offer becomes unconditional);

4.1.2 by not later than 1 February 2012 (or such later date as may be agreed to in writing between SISA and GPI) the RAH Condition Precedent has been fulfilled or waived, as the case may be; and

4.1.3 by not later than 15 December 2011 (or such later date as may be agreed to in writing between SISA and GPI), to the extent required, the Competition Authorities approve, in writing, the implementation of the Proposed Restructure (save for the RAH Offer, which, if made, will be subject to the RAH Condition Precedent) either unconditionally or subject to such conditions as the parties affected thereby may agree in writing are acceptable to them; and

4.1.4 by not later than 15 December 2011 (or such later date as may be agreed to in writing between SISA and GPI), such approval as may be required in terms of the Gambling Legislation and/or the licence conditions (including any approval for an amendment to the licence conditions) contained in the casino operator licence granted to Worcester has been obtained, in writing, from the Gambling Board as a result of the implementation of the Proposed Restructure (save for the RAH Offer, which, if made, will be subject to the RAH Condition Precedent) either unconditionally or subject to such conditions as the parties affected thereby may agree in writing are acceptable to them.

4.2 The Worcester Conditions Precedent in –

4.2.1 paragraph 4.1.3 cannot be waived; and

4.2.2 paragraphs 4.1.1, 4.1.2 and 4.1.4 may only be waived by written agreement between SISA and GPI on or before the Worcester Fulfilment Dates, therefore whereupon the condition/s precedent (or part thereof) in respect of which fulfilment shall have been waived, shall be deemed to be *pro non scripto*.

Sale of Worcester Initial Sale Shares to SISA

4.3 GPI sells to SISA and SISA purchases from GPI the Worcester Initial Sale Shares.

Effective date of Worcester Disposal

4.4 Notwithstanding the date of signature of the Worcester Sale Agreement and the Worcester Fulfilment Date, the Worcester Initial Sale Shares will be sold with effect on and as from the Implementation Date, from which date all risk in and benefits attaching to the Worcester Initial Sale Shares shall be deemed to have passed to SISA.

Worcester dividends

4.5 The parties to the Worcester Sale Agreement shall procure that Worcester continues to pay dividends in the amounts and on the dates consistent with its prevailing dividend policy and current practice used to determine the quantum and timing of dividends (subject to the funding, solvency and liquidity requirements of Worcester), provided that they shall procure that a special dividend is declared for the period from the last dividend until the date on which the RAH Offer is made, if applicable, and that such special dividend is paid before transfer of the Worcester Initial Sale Shares. The *quantum* of the special dividend will be a *pro rata* amount calculated with reference to the *quantum* of dividends under the prevailing dividend policy and current practice.

Transfer of Worcester Initial Sale Shares

4.6 On the Implementation Date, GPI will deliver to SISA, against payment of the Worcester Initial Purchase Price by SISA:

4.6.1 the share certificates and share transfer forms in respect of the Worcester Initial Sale Shares;

4.6.2 a certified copy of a resolution passed by the directors of Worcester approving the transfer of the Worcester Initial Sale Shares to SISA or its nominee(s) and approving the issue of appropriate new share certificates to SISA or its nominee(s) for the Worcester Initial Sale Shares; and

4.6.3 all other documents necessary to enable SISA to procure the registration of the Worcester Initial Sale Shares into its name or in the name of its nominee(s).

Worcester Initial Purchase Price

4.7 In consideration for the Worcester Initial Sale Shares, SISA shall pay to GPI the Worcester Initial Purchase Price in cash, against compliance by GPI with all of their obligations in terms of paragraph 4.6 above.

Warranties

4.8 GPI warrants, represents and undertakes to SISA that on the signature date of the Worcester Sale Agreement, the Worcester Fulfilment Dates, the Implementation Date and the entire periods between those dates:

4.8.1 GPI will be entitled and able to give free and unencumbered title of the Worcester Initial Sale Shares to SISA;

4.8.2 GPI will be the sole registered and beneficial owner of the Worcester Initial Sale Shares and will be reflected in the register of members of Worcester as the sole owner thereof;

4.8.3 the Worcester Initial Sale Shares will constitute 20.3% of the entire issued ordinary share capital of Worcester;

4.8.4 GPI will, subject to any approvals contemplated in clause 4.1.3 and/or 4.1.4 and/or any shareholder approvals contemplated in the SunWest Sale Agreement being duly obtained, have the power to enter into the Worcester Sale Agreement and all corporate and other actions required to authorise the execution of the Worcester Sale Agreement and the performance of its obligations thereunder will have been duly taken; and

4.8.5 save as contemplated in the Worcester Sale Agreement and/or the Worcester SHA, no person will have any right (including any option or right of first refusal) to acquire the Worcester Initial Sale Shares or, to the best of GPI's knowledge and belief, to subscribe for, take up or acquire any unissued shares in the issued share capital of Worcester, present or future.

4.9 In addition to the warranties, representations and undertakings set out in paragraph 4.8 above, the Worcester Sale Agreement also includes such general warranties and representations by GPI and SISA as are normal for an agreement of this nature. Save as referred to in this circular, GPI gives no other warranties or representations in respect of the Worcester Initial Sale Shares and the Worcester Initial Sale Shares will be purchased *voetstoots* (“*as is, where is*”).

Indivisibility

4.10 The Worcester Sale Agreement is indivisibly inter-related with the Proposed Restructure. Accordingly:

4.10.1 if the Worcester Sale Agreement is cancelled or terminated for any reason after the fulfilment or waiver (if permitted) of all the Worcester Conditions Precedent but prior to Transaction Completion, the Proposed Restructure shall *ipso facto* be cancelled (including, for the avoidance of doubt, the Transaction Agreements) and the status *quo ante* will be restored (but without prejudice to the rights of any aggrieved party to the Worcester Sale Agreement to claim damages); and

4.10.2 if after the fulfilment or waiver (if permitted) of all of the Worcester Conditions Precedent but prior to Transaction Completion, the Proposed Restructure is cancelled or terminated (or, for the avoidance of doubt, if any Transaction Agreement is cancelled or terminated after the fulfilment or waiver (if permitted) of all of the Worcester Conditions Precedent but prior to Transaction Completion), then the Worcester Sale Agreement shall *ipso facto* be cancelled and the status *quo ante* will be restored (but without prejudice to the rights of any aggrieved party to claim damages).

Pre-emptive rights in terms of the Worcester SHA

4.11 Nothing shall detract from GPI and SISA’s obligation to comply with the pre-emptive rights procedure contained in the Worcester SHA in favour of the remaining shareholders of Worcester. To the extent that any of the remaining shareholders of Worcester follow their pre-emptive rights in terms of the Worcester SHA, then the number of Worcester Initial Sale Shares and the Worcester Initial Purchase Price payable therefor shall reduce *pro rata* to the number of Worcester Initial Sale Shares being acquired and the purchase price payable therefor in terms of the pre-emptive rights process.

Sale of additional shares

4.12 The Worcester Sale Agreement records that it is the intention of Worcester to acquire 400 000 (four hundred thousand) shares in its issued share capital held by the Community Trust, after implementation of the Proposed Restructure (“**Community Trust Buyback**”).

4.13 If the Community Trust Buyback is implemented at any time after the implementation of the Proposed Restructure, SISA has in terms of the Worcester Sale Agreement irrevocably and unconditionally undertaken to purchase from GPI, and GPI has irrevocably and unconditionally undertaken to sell to SISA, the Worcester Additional Sale Shares against payment of the Worcester Additional Purchase Price, on the following terms:

4.13.1 SISA shall pay the Worcester Additional Purchase Price to GPI, subject to compliance by GPI with its obligations under paragraph 4.13.4 below.

4.13.2 The effective date of the sale of the Worcester Additional Sale Shares will be the first business day after the date on which the Community Trust Buyback has been implemented ("**Worcester Additional Sale Effective Date**").

4.13.3 The risk and benefit in the Worcester Additional Sale Shares will pass to SISA on the Worcester Additional Sale Effective Date.

4.13.4 GPI gives to SISA the same warranties, representations and undertakings in respect of the Worcester Additional Sale Shares as set out in paragraph 4.8 above, *mutatis mutandis*, save that the period shall be deemed to include Worcester Additional Sale Effective Date and the entire period between the signature date of the Worcester Sale Agreement, the Worcester Fulfilment Dates, the Implementation Date and the Worcester Additional Sale Effective Date and save that the percentage referred to in paragraph 4.8.3 above shall be read as 0.48%. On the aforesaid effective date, SISA shall deliver to GPI, against compliance by GPI with its obligations in paragraph 4.13.1 above, all of the documentation contemplated in paragraph 4.6 above in respect of the Worcester Additional Sale Shares and on the same basis set out therein, *mutatis mutandis,* save that where reference is made to the "Implementation Date" in paragraph 4.6, it shall be read as the Worcester Additional Sale Effective Date.

5 THE RAH OFFER

Background to the RAH offer

5.1 Utish and GPI collectively own 29.76% and SISA owns 64.72% of the total RAH shares in issue. SISA wishes, subject to the fulfilment of the RAH Precondition, to make an offer to acquire the RAH Offer Shares held by Utish and GPI and all other shares in RAH held by RAH minorities (for the avoidance of doubt, as at the date of issue of the circular, no such offer has yet been made).

RAH Precondition

5.2 SISA's obligation to make the RAH Offer is subject to the fulfilment of the precondition that by no later than 15 December 2011 (or such other date agreed to in writing between SISA and GPI) the Transaction Agreements are signed and become unconditional in accordance with their terms, save for any conditions in the Transaction Agreements requiring that the RAH Offer must have become unconditional (the "**RAH Precondition**"). The RAH Precondition shall not be capable of being waived.

SISA undertaking to make the RAH Offer

5.3 In the event that the RAH Precondition is fulfilled by 15 December 2011 (or such other date agreed to in writing between SISA and GPI), SISA shall be obliged to make the RAH Offer on the terms set out in paragraph 5.5 below.

RAH Purchase Price and adjustment thereof

5.4 The RAH Purchase Price payable by SISA to Utish and GPI for their shares in RAH pursuant to the RAH Offer will not be less than 408 cents per RAH Offer Share plus any amount arising pursuant to the adjustment set out below:

5.4.1 The RAH Purchase Price shall be increased by the cash flows of RAH available for distribution plus a *pro rata* share of the dividends to be received from RAH's underlying investments, up until the date on which the RAH Offer is made, if applicable, in accordance with RAH's prevailing dividend policy and current practice (subject to funding, solvency and liquidity requirements).

5.4.2 The increase shall include the dividend to be received from National Manco as a result of the cancellation of the Manco Agreements, as contemplated in paragraph 6.2 below.

5.4.3 To the extent that dividends in respect of the amounts contemplated by the abovementioned price adjustments are declared and paid by RAH to its shareholders prior to implementation of the RAH Offer, the aforesaid amount of 408 cents per RAH Offer Share shall not be adjusted or shall only be adjusted in respect of any such amounts not declared as a dividend by RAH.

Terms of the RAH Offer

5.5 If the RAH Precondition is fulfilled by 15 December 2011 (or such other date agreed to in writing between SISA and GPI), then SISA shall be obliged to make the RAH Offer on *inter alia* the following terms and conditions:

5.5.1 the RAH Offer shall be subject to the fulfilment or waiver, as the case may be, of the condition precedent ("**RAH Condition Precedent**") that within 45 days of the posting of the RAH Offer, to the extent that it may be required, all of the necessary regulatory approvals and/or consents to effect the RAH Offer have been granted, including, but not limited to, those by the TRP, the JSE and the relevant provincial gaming boards (including, but not limited to, the Gauteng Gambling Board), or if such approval is conditional, then on such conditions as may be reasonably acceptable to the parties affected by such conditions. SISA shall be entitled, to the extent permissible, to waive the RAH Condition Precedent in its sole discretion.

5.5.2 The acquisition by SISA of Utish and GPI's RAH Offer Shares is not conditional on SISA acquiring all of the shares held by the minority shareholders in RAH pursuant to the RAH Offer.

5.5.3 The RAH Purchase Price, calculated as per paragraph 5.4 above, shall be increased by 75% of the Prime Rate, calculated from the date on which the RAH Offer is made (if applicable) until the date on which the RAH Offer becomes unconditional in accordance with its terms.

5.5.4 On receipt of notice from GPI and Utish accepting the RAH Offer, SISA shall, subject to fulfilment or waiver (as the case may be) of the RAH Condition Precedent, forthwith make payment to Utish and GPI (or at the request of Utish and GPI and if electronic settlement allows, to a financier of GPI and/or Utish to procure the release of the RAH Offer Shares held by Utish) of the RAH Purchase Price, which payment will be made within five days.

5.5.5 The RAH Offer Shares shall be acquired *voetstoots* and free of any warranties, save that each of Utish and GPI is the owner thereof and each is able to give free and unencumbered title of the shares to SISA.

Guarantee

5.6 GPI has irrevocably and unconditionally guaranteed (as principal and primary obligation and not as surety) in favour of SISA the due and punctual observance and performance by Utish of all of its obligations under and in terms of the RAH Offer.

6 **RESTRUCTURE OF MANAGEMENT ARRANGEMENTS**

6.1 Management and shareholder arrangements are to be restructured as follows:

6.1.1 the Manco Agreements will be cancelled in terms of the Cancellation Agreements in exchange for cancellation fees; and

6.1.2 the SIML Management Agreements will be cancelled and will be replaced with the Management and Royalty Agreements

(collectively, the "**Restructure of Management Arrangements**").

The Restructure of Management Arrangements does not involve an acquisition or disposal or other corporate action, accordingly, it is not categorised as a transaction for purposes of the JSE Listings Requirements and the JSE Listings Requirements do not require GPI shareholder approval for the Restructure of Management Arrangements.

6.2 **Cancellation of Manco Agreements**

6.2.1 WC Manco currently manages the empowerment policy of SunWest pursuant to the terms of the WC Manco Agreement and is paid a management fee in this regard by SunWest. On 19 July 2011 WC Manco and SunWest entered into the WC Manco Cancellation Agreement, in terms of which the WC Manco Agreement is cancelled with effect from the Implementation Date in exchange for the payment by SunWest to WC Manco of a cancellation fee of R151 000 000 (one hundred and fifty one million rand), based on the present value of the cash flows in respect of the WC Manco Agreement from 1 July 2011 up until the expiry date of the WC Manco Agreement.

6.2.2 Worcester Manco currently manages the empowerment policy of Worcester pursuant to the terms of the Worcester Manco Agreement and is paid a management fee in this regard by Worcester. On 19 July 2011 Worcester Manco and Worcester entered into the Worcester Manco Cancellation Agreement, in terms of which the Worcester Manco Agreement is cancelled with effect from the Implementation Date in exchange for the payment by Worcester to Worcester Manco of a cancellation fee of R3 000 000 (three million rand), based on the present value of the cash flows in respect of the Worcester Manco Agreement from 1 July 2011 up until the expiry date of the Worcester Manco Agreement.

6.2.3 Any fees paid by SunWest to WC Manco and by Worcester to Worcester Manco in terms of the Manco Agreements in respect of and during the Interim Period, shall be considered an equivalent rand amount prepayment of the cancellation fees referred to in paragraphs 6.2.1 or paragraph 6.2.2 above, as the case may be.

6.2.4 The Cancellation Agreements require that, as soon as reasonably possible after receipt of the cancellation fees referred to in paragraphs 6.2.1 and 6.2.2 above (less any prepayments under 6.2.3), WC Manco and Worcester Manco are to distribute the full amounts received (less any applicable taxes) to their shareholders as a dividend, subject to and in accordance with the Act.

6.2.5 The Cancellation Agreements are each subject to the condition precedent that the SunWest Sale Agreement is signed and becomes unconditional in accordance with its terms (save for any conditions therein requiring that the Cancellation Agreement in question must become unconditional). The Worcester Manco Cancellation Agreement is subject to the additional condition precedent that by no later than 15 December 2011 (or such later date as may be agreed to in writing between the parties thereto) the requisite majority of Worcester shareholders approve the entering into and implementation of the Worcester Manco Cancellation Agreement.

Indivisibility

6.3 The WC Manco Cancellation Agreement is indivisibly inter-related with the Proposed Restructure. Accordingly:

6.3.1 if the WC Manco Cancellation Agreement is cancelled or terminated for any reason after the fulfilment of its conditions precedent but prior to Transaction Completion, the Proposed Restructure shall *ipso facto* be cancelled (including, for the avoidance of doubt, the Transaction Agreements) and the status *quo ante* will be restored with retrospective effect to 1 July 2011; and

6.3.2 if after the fulfilment of the conditions precedent to the WC Manco Cancellation Agreement, but prior to Transaction Completion, the Proposed Restructure is cancelled or terminated (or, for the avoidance of doubt, if any Transaction Agreement is cancelled or terminated after the fulfilment of the abovementioned conditions precedent, but prior to Transaction Completion), then the WC Manco Cancellation Agreement shall *ipso facto* be cancelled and the status *quo ante* will be restored with retrospective effect to 1 July 2011.

6.4 The provisions set out in paragraph 6.3 above in respect of the WC Manco Cancellation Agreement, apply *mutatis mutandis* to the Worcester Manco Cancellation Agreement.

Management and Royalty Agreements

6.5 On 19 July 2011 SIML, SunWest and Worcester entered into the Management and Royalty Agreements, which replace and supersede in their entirety the SIML Management Agreements with effect from the date on which the SunWest Sale Agreement is implemented, and in terms of which SIML will provide management services against payment of certain management fees.

6.6 The Management and Royalty Agreements are each subject to the condition precedent that the SunWest Sale Agreement is signed and becomes unconditional in accordance with its terms (save for any conditions in the SunWest Sale Agreement requiring that the Management and Royalty Agreements must become unconditional). The aforesaid condition precedent shall not be capable of being waived.

Indivisibility

6.7 The Management and Royalty Agreements are each indivisibly inter-related with the Proposed Restructure. Accordingly:

6.7.1 if any of the Management and Royalty Agreements are cancelled or terminated for any reason after the fulfilment of the condition precedent referred to in paragraph 6.6 above, but prior to Transaction Completion, the Proposed Restructure shall *ipso facto* be cancelled (including, for the avoidance of doubt, the Transaction Agreements) and the status *quo ante* will be restored with retrospective effect to 1 July 2011; and

6.7.2 if after the fulfilment of the condition precedent referred to in paragraph 6.6 above, but prior to Transaction Completion, the Proposed Restructure is cancelled or terminated (or, for the avoidance of doubt, if any Transaction Agreement is cancelled or terminated after the fulfilment of the abovementioned condition precedent, but prior to Transaction Completion), then the Management and Royalty Agreements shall *ipso facto* be cancelled and the status *quo ante* will be restored with retrospective effect to 1 July 2011.

7 APPLICATION OF THE PROCEEDS OF THE PROPOSED RESTRUCTURE

7.1 The consideration for the Proposed Restructure is attributed as follows:

	(Rm)	Cash received by GPI (Rm)
Proceeds of the Disposals:		718.4
SunWest Purchase Price	251.8	
Worcester Combined Purchase Price [3]	15.2	
RAH Purchase Price [1]	451.4	
Restructure of Management Arrangements: [2]		67.4
Total cash received by GPI		**785.8**

Notes:

[1] The value of RAH implies an RAH share price of R4.08 which will be increased by the cash flows of RAH available for distribution plus a pro rata share of the dividends to be received from RAH's underlying investments, up until the date that the RAH Offer is made, if applicable, in accordance with RAH's prevailing dividend policies (subject to funding and liquidity requirements).

[2] This amount includes the cancellation fee which will accrue to GPI through its 50.0% holding in WC Manco, 5.7% holding in National Manco, its holding in Worcester Manco and 30.6% holding in RAH, which holds 25.3% in National Manco. RAH's portion of the cancellation fee shall be paid to RAH shareholders in terms of an increase to the share price referred to in note (1) above.

[3] The Worcester Sale Agreement provides for an initial disposal of 4 322 352 Worcester Initial Sale Shares against a consideration of R14.9 million. As set out in paragraph 4.13 of the circular, following the Community Trust Buyback SISA shall purchase an additional 100 400 ordinary shares in the issued share capital of Worcester against payment of a purchase price of R345 506. The Worcester Combined Purchase Price, being the combined purchase price, is accordingly R15.2 million.

7.2 It is estimated that tax payable by GPI will amount to R8.1 million, resulting in net proceeds of R777.7 million ("**Net Cash Proceeds**").

7.3 The Net Cash Proceeds will be applied towards the repayment of debt and the board intends to pay a special dividend to shareholders (see paragraph 7.5 below), with the balance being retained for the pursuit of certain new investment opportunities in a manner in which the Board believes is optimal for GPI.

7.4 The Board's aim is to ensure that GPI's capital structure is such that cash flow generated by its operating business can service its debt obligations and that the dividends received from SunWest, Worcester and Akhona GPI can be passed through to GPI's shareholders. In line with this aim, the Board estimates that R215.0 million out of a total of R362.9 million debt will be repaid as part of the Proposed Restructure. The Board believes this will leave GPI with an improved capital structure and greater financial flexibility.

7.5 Consistent with GPI's strategy, the Board believes that a significant portion of the Net Cash Proceeds should be distributed to GPI shareholders. Accordingly, the Board intends to make a special dividend payment of 50 cents per GPI share, subject to the successful implementation of the Proposed Restructure and other regulatory approvals. An announcement setting out the full details of such a special dividend payment will be made in due course. Annual dividends will continue in-line with the Company's current dividend policy.

8 *PRO FORMA* FINANCIAL EFFECTS OF THE DISPOSALS AND THE RESTRUCTURE OF MANAGEMENT ARRANGEMENTS

The unaudited *pro forma* financial effects of the Proposed Restructure (comprising the Disposals and the Restructure of Management Arrangements), as set out below, are the responsibility of the directors of GPI. The unaudited pro forma financial effects are presented in a manner consistent with the basis on which the historical financial information has been prepared and in terms of GPI's accounting policies. The unaudited *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of GPI's financial position, nor of the effect on future earnings post the implementation of the Proposed Restructure.

These unaudited *pro forma* financial effects as set out below should be read in conjunction with the unaudited *pro forma* statement of financial position and statement of comprehensive income as set out in Annexure 1, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in Annexure 1.

The independent reporting accountant's report on the *pro forma* financial information appears at Annexure 2 to this circular.

These unaudited *pro forma* financial effects as set out below are based on the published unaudited interim financial results of GPI for the six months ended 31 December 2010 and on the assumption that:

- For purposes of the earnings per share, headline earnings per share and adjusted headline earnings per share calculations:

    - the Proposed Restructure was effected on 1 July 2010 and the table below shows the *pro forma* impact on the interim period for the six months ended 31 December 2010;
    - finance costs of R9.2 million for the period up to 31 December 2010 that accrued on the R215.0 million of borrowings which are estimated to be repaid, have been reversed;
    - transaction costs and break fees for the cancellation of debt arrangements are estimated to be R14.6 million;
    - the proceeds of the Proposed Restructure were received on 1 July 2010 and that such proceeds (less R215.0 million of estimated debt repayment) earned an after tax return of 5.8% during the interim period ended 31 December 2010;
    - the portion of the impairment of Worcester recorded in the published interim financial results for the six months ended 31 December 2010 that relates to the shares being sold, has been reversed;
    - tax rates of 28% and 14% were applied to revenue and capital items respectively, where applicable;
    - the adjusted headline earnings per share is prepared on the same basis as headline earnings per share except that transaction fees and one-off non-recurring items have been excluded;

- For purposes of the net asset value and tangible net asset value per share calculations:

    - the Proposed Restructure was effected on 31 December 2010;
    - available for sale fair value reserves on the investments sold were released from equity and accounted for in the net profit for the period;
    - the excess of the consideration received over the carrying value of the assets disposed of, the share of the cancellation fees paid and received and any impairments were recognised directly in equity.

	(Unaudited) Before the Proposed Restructure (cents) [1]	(Unaudited) After the Proposed Restructure (cents)	Change (%)
Earnings/(loss) per share [2]	4.75	3.52	(26%)
Headline earnings/(loss) per share[2]	11.56	12.91	12%
Adjusted headline earnings/(loss) per share[3]	12.00	12.72	6%
Net asset value per share[2]	383	375	(2%)
Tangible net asset value per share[2]	351	343	(2%)

Notes:

(1) Extracted from the published unaudited interim financial results of GPI for the six months ended 31 December 2010.

(2) Based on a weighted average of 462,331,319 GPI shares in issue during the interim period ended 31 December 2010.

(3) Based on a weighted average of 456,511,319 GPI shares in issue (excluding treasury shares of 5,820,000) at 31 December 2010.

9 HISTORICAL FINANCIAL INFORMATION

Shareholders are referred to Annexures 3A and 3B of this circular, containing historical financial and interim financial information for SunWest. The corresponding financial information for Worcester appears in Annexures 5A and 5B of this circular. Annexure 7 contains an extract of historical financial information of RAH based on the latest published results, being the interim results announced on SENS in respect of the six months ended 31 December 2010, while copies of the audited financial results of RAH for the financial years ended 30 June 2008, 2009 and 2010 can be found at www.grandparade.co.za.

10 DIRECTORS AND DIRECTORS' INTERESTS

10.1 Directors' interests in GPI

10.1.1 The table below sets out the direct and indirect beneficial interests of the directors' (and their associates), including any directors who have resigned during the last 18 months, in GPI's issued share capital as at the last practicable date.

Director	Beneficial interest (ordinary shares)			
	Direct	**Indirect**	**Total**	**% held**
H Adams	3,438,792	28,052,608	31,491,400	6.69
A Abercrombie	3,393,361	2,413,789	5,807,150	1.23
A P Funkey*	1,180,000	926,600	2,106,600	0.45
N Mlambo	10,300	31,000	41,300	0.01
AW Bedford	236,736	2,924,640	3,161,376	0.67
S Petersen	400,000	-	400,000	0.09
F Samaai	6,152	327,403	333,555	0.07
RG Freese *	31,196	48,000	79,196	0.02
RJ.Hoption *	450,000	-	450,000	0.10
Total	**9,146,537**	**34,724,040**	**43,870,777**	**9.33**

Notes:

* RJ Hoption and RG Freese both resigned as directors following the financial year ended 30 June 2010. AP Funkey resigned as chief executive officer of GPI with effect from 30 June 2011. RG Freese was re-appointed as director on 20 July 2011, while RJ Hoption was re-appointed as director on 22 July 2011.

- S Petersen, D Naidoo and F Samaai were appointed directors of GPI subsequent to the end of the financial year ended 30 June 2010. D Naidoo resigned as director on 19 July 2011.

- Following the financial year ended 30 June 2010, H Adams' interest in GPI increased by 11.8 million shares as a result of acquiring shares directly and due to Razifin (Pty) Limited, Victory Ticket CC and Nadesons Investments (Pty) Limited respectively acquiring shares in GPI of which he is a shareholder.

- Following the financial year ended 30 June 2010, A Abercrombie's interest in GPI increased by 2 million shares as a result of Razifin (Pty) Limited acquiring shares in GPI of which he is a shareholder.

10.1.2 The table below details the units beneficially held, directly and indirectly, by directors (including any directors who have resigned during the last 18 months) and their associates, in the GPI SPV Trust and the GPI BBBEE Trust, as at the last practicable date. The GPI BBBEE Trust is a beneficiary of the GPI SPV Trust which, in turn, as at the last practicable date, owns 38,728,436 ordinary shares in GPI, equivalent to 8.23% of GPI's issued share capital. Following expiry of a lock-in period, unit holders in the GPI BBBEE Trust and GPI SPV Trust will be entitled to a share swap of their units for GPI shares on a 1:1 ratio.

	Units beneficially held in GPI BBBEE Trust and GPI SPV Trust			
Director	**Direct**	**Indirect**	**Total**	**% held**
H Adams	126,066	5,392,369	5,518,435	14.25
A Abercrombie	558,444	-	558,444	1.44
N Mlambo	9,524	-	9,524	0.02
AW Bedford	135,352	1,063,024	1,198,376	3.09
F Samaai	-	49,451	49,451	0.13
RG Freese *	136,844	106,500	243,344	0.63
Total	**966,230**	**6,611,343**	**7,577,573**	**19.54**

Notes:

* RG Freese resigned as director following financial year ended 30 June 2010, but was re-appointed as director on 20 July 2011.

- F Samaai was appointed as a director of GPI subsequent to the end of the financial year ended 30 June 2010.

- Following the financial year ended 30 June 2010, H Adams's interests in units increased by 44 000 as a result of Nadesons Investments (Pty) Limited, of whom he is a shareholder, acquiring additional units.

10.2 **Directors' interests in transactions**

10.2.1 Save to the extent that they may be shareholders directly or indirectly of GPI as set out in 10.1.1 and 10.1.2 above, none of the directors of the GPI Group (including directors who have resigned during the last 18 months) have any material interest, directly or indirectly, in -

- the Disposals or the Restructure of Management Arrangements; or
- any transactions that were effected by GPI during the current or immediately preceding financial year, or during an earlier financial year and which remain in any respect outstanding or unperformed.

10.3 **Directors' service contracts and remuneration**

10.3.1 Details of the remuneration paid to the directors of the Company and its major subsidiaries for the year ended 30 June 2010 are as follows:

	Fees (director services) R	Basic salary R	Other fees R	Bonuses R	Expense allowance R	Any other material benefits R	Total R
Executive[2]							
AP Funkey [1]	-	1,660,726	-	131,083	-	213,168	2,004,977
RJ Hoption [1]	-	954,865	-	75,000	-	81,293	1,111,158
Non-executive[2]							
H Adams[3]	1,002,981	-	-	-	-	-	1,002,981
A Abercrombie	102,500	-	30,750	-	-	-	133,250
RG Freese [1]	102,500	-	61,500	-	-	-	164,000
N Mlambo	102,500	-	30,750	-	-	-	133,250
AW Bedford	102,500	-	61,500	-	-	-	164,000
NV Maharaj	102,500	-	30,750	-	-	-	133,250
CW Williams [4]	102,500	-	30,750	-	-	-	133,250
Total	**1,617,981**	**2,615,591**	**246,000**	**206,083**		**294,461**	**4,980,116**

Notes:

(1) RJ Hoption and RG Freese both resigned as directors following the financial year ended 30 June 2010. AP Funkey resigned as chief executive officer of GPI with effect from 30 June 2011. RG Freese was re-appointed as director on 20 July 2011 and RJ Hoption on 22 July 2011.

(2) S Petersen, D Naidoo and F Samaai were appointed as directors of GPI subsequent to the end of the financial year ended 30 June 2010 and are accordingly not included in the table above. D Naidoo resigned as a director of GPI on 19 July 2011.

(3) H Adams assumed the role of executive chairman subsequent to the previous financial year ended 30 June 2010.

(4) CW Williams resigned as a director with effect from 21 July 2011.

10.3.2 Directors' service contracts:

10.3.2.1 Sukena Petersen has been employed by GPI since 1 July 2008 and is currently employed as financial director of GPI in terms of an employment agreement concluded with GPI Management Services (Proprietary) Limited, as regulated in terms of a letter of appointment dated 15 September 2010, a copy of which is available for inspection in terms of paragraph 22 below. The employment may be terminated by either party giving one month's written notice, or in the case of GPI, by paying salary *in lieu* of notice.

10.3.2.2 An employment agreement is still in the process of being negotiated with Hassen Adams, the executive chairman of GPI.

10.3.3 Mazars provides company secretarial services to GPI Group on an ongoing basis on terms that are standard for engagements of that nature**.**

11 MAJOR OR CONTROLLING SHAREHOLDERS

11.1 At the last practicable date, the following shareholders, other than the directors of GPI, to the best of the directors' knowledge and belief, are directly beneficially interested in 5% or more of the issued share capital of GPI:

Name of shareholder	Number of GPI shares held	Percentage of GPI issued share capital held (%)
GPI SPV Trust	38,728,436	8.23
Rowmoor Investments 769 (Pty) Ltd	30,000,000	6.38
Quintessence Opportunities Ltd (1)	27,186,788	5.78
Midnight Storm Investments 387 (Pty) Ltd(2)	25,130,506	5.34
Total	**121,045,730**	**25.73**

Notes:

(1) H Adams has a non-controlling interest in this entity.

(2) H Adams has a controlling interest in this entity.

11.2 There has been no change in the controlling shareholders and trading objectives of GPI and (since the date of those companies becoming its subsidiaries) its subsidiaries during the previous five years.

11.3 **Undertakings**

The following directors and shareholders, collectively representing, directly or indirectly 142,228,724 shares, representing 30.2% of the total issued share capital of GPI, have irrevocably undertaken to vote in favour of the resolutions to give effect to the Proposed Restructure:

Name	**Number of GPI shares held**	**Percentage of GPI issued share capital held (%)**
GPI SPV Trust	38,728,436	8.2%
Quintessence Opportunities (Pty) Ltd	27,186,788	5.8%
Midnight Storm Investment 387 (Pty) Ltd	25,130,506	5.3%
Razifin (Pty) Ltd	9,693,930	2.1%
Prosperity Through Partnership Ltd	9,267,012	2.0%
Cloudberry Investments 18 (Pty) Ltd	7,500,000	1.6%
Western Cape Womens Investment Trust	6,278,924	1.3%
Nadeson Investments (Pty) Ltd	4,676,208	1.0%
Hassen Adams	3,438,792	0.7%
Alexander Abercrombie	3,393,361	0.7%
Morningtide Investments 319 (Pty) Ltd	2,521,051	0.5%
Yousuf Pahad Family Trust	1,538,460	0.3%
Victory Ticket CC	1,531,432	0.3%
Amahlahla Equity Partners (Pty) Ltd	493,824	0.1%
Richard Hoption	450,000	0.1%
Sukena Petersen	400,000	0.1%
Total	**142,228,724**	**30.2%**

12 **MATERIAL CHANGES, MATERIAL ACQUISITIONS**

12.1 There have been no material changes in the financial or trading position of the GPI Group since 31 December 2010, being the end of the last financial period for which unaudited interim financial reports have been published, until the last practicable date.

12.2 The directors of GPI are not aware of any material changes in the financial and trading position of RAH since the end of the last financial period for which unaudited interim financial results have been published, an extract of which appears at Annexure 7 to this circular, until the last practicable date. The directors of GPI are not aware of any material changes in the financial and trading position of SunWest and Worcester since the end of the interim financial period reported on in Annexures 3B and 5B to this circular, until the last practicable date.

12.3 The directors of GPI are not aware of any material assets having been purchased or acquired by SunWest, Worcester or RAH in the three years preceding the issue of the circular, or proposed to be purchased or acquired.

13 **MATERIAL LOANS AND MATERIAL CONTRACTS**

13.1 **Material loans**

Please see below details of the material loans made to GPI or its subsidiaries, as at the last practicable date:

Name of lender and type of funding	**Amount**	**Rate on interest**	**Secured or unsecured and details of security provided (if any)**	**Terms and conditions of repayment**	**Repayments to be financed out of**
The Standard Bank of South Africa (Preference share funding)	R66,596,500	75% of the relevant prime rate of interest	Secured against 13.21% of the SunWest issued shares, as held by the GPI Group (SunWest Ordinary Shares and SunWest N Shares)	Interest is payable semi-annually on 31 March and 30 September. The preference shares are redeemable from 2011 to 2014.	Repayments in the next 12 months will be paid out of profits.

Depfin Investments (Pty) Limited (Preference share funding)	R66,596,500	75% of the relevant prime rate of interest	Secured against 13.21% of the SunWest issued shares, as held by the GPI Group (SunWest Ordinary Shares and SunWest N Shares)	Interest is payable semi-annually on 31 March and 30 September. The preference shares are redeemable from 2011 to 2014.	Repayments in the next 12 months will be paid out of profits.
Sanlam Capital Markets (Preference share funding)	R125,725,757	83% of the relevant prime rate of interest	Secured against 30.54% of the RAH ordinary shares held by Utish	Interest is payable semi-annually on 31 March and 30 September. The preference shares are redeemable from 2011 to 2014.	Repayments in the next 12 months will be paid out of profits.
Sanlam Capital Markets (Loan)	R64 million	Johannesburg Interbank Agreed Rate plus 3.75%	Secured - The GPI Group ceded all its rights, title and interest in and to (1) certain lease agreements; (2) certain required insurances; (3) a notarial bond over the movable assets of GPI Managament Services (Pty) Ltd; and (4) cession of the Thuo Gaming Western Cape (Pty) Limited Bank deposits.	Interest is capitalised monthly and paid quarterly. The loan is repayable in 20 instalments of R4 million each.	Repayments in the next 12 months will be paid out of profits.
Grindrod Bank Limited (Loan)	R40 million	The relevant prime rate of interest plus 1%	Secured against 560 000 SunWest N Shares held by GPI Group	Interest is capitalised monthly and paid quarterly. The loan is repayable within two years from 30 June 2010.	Repayments in the next 12 months will be paid out of profits.

13.2 **Material contracts**

13.2.1 Save for the Heads and the Transaction Agreements, there are no material contracts that have been entered into other than in the ordinary course of business by GPI or any of its subsidiaries in the two years preceding the date of issue of this circular, or entered into at any time and containing an obligation or settlement other than as disclosed in this circular that is material to the Company or its subsidiaries at the date of issue of this circular.

13.2.2 As far as the directors of GPI are aware, save for the Heads and those Transaction Agreements to which they are parties, there are no material contracts that have been entered into other than in the ordinary course of business by SunWest or Worcester in the two years preceding the date of issue of this circular, or entered into at any time and containing an obligation or settlement other than as disclosed in this circular that is material to them at the date of issue of this circular.

13.2.3 RAH is listed on the JSE. The directors of GPI are not aware of any material contracts that have been entered into other than in the ordinary course of business by RAH in the two years preceding the date of issue of this circular, or entered into at any time and containing an obligation or settlement that is material to RAH at the date of issue of this circular.

14 LITIGATION STATEMENT

14.1 Save as set out in paragraph 14.1.1 below, there are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the GPI Group is aware, which may have or have had a material effect on the financial position of the GPI Group in the last 12 months:

14.1.1 Thuo Gaming Western Cape (Proprietary) Limited, a wholly-owned subsidiary of GPI, has launched review proceedings against the Gambling Board, being the regulator in the province in which the subsidiary operates. The application is made in terms of the Promotion of Administrative Justice Act, 2000 (Act 3 of 2000) and seeks the review and setting aside of certain license conditions imposed on that subsidiary by the regulator, with a view to maximising roll-out of its gaming machine network. The application is of an administrative nature.

14.2 The directors of GPI are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), which may have or have had a material effect on the financial position of SunWest, Worcester and RAH in the last 12 months.

15 **RELATED PARTY TRANSACTION**

15.1 The JSE has indicated that it views GPI and SIL as related parties and that, accordingly, it considers the Proposed Restructure to be a related party transaction. The JSE considers GPI and SIL to be related parties by virtue of the fact that SIL is a material shareholder of SunWest, in which GPI holds 50.01% of the voting rights of the issued share capital. Accordingly, the Board has obtained a fairness opinion from an independent expert in respect of the Proposed Restructure, a copy of which is annexed hereto at Annexure 8.

15.2 As far as the Board is aware, SIL and its associates are not shareholders of GPI. However, to the extent that they may in fact be shareholders of GPI, SIL and/or its associates (as applicable) will be taken into account in determining a quorum at the General meeting, but their votes will not be taken into account in determining the results of the voting at the General Meeting in relation to the proposed shareholders' resolutions.

16 **OPINION AND RECOMMENDATION**

16.1 The directors of GPI have considered the terms and conditions of the Disposals and the Restructure of Managements Arrangements and are of the opinion that such terms and conditions are fair and in the interests of GPI shareholders, and have been so advised by an independent expert, as set out in the fairness opinion at Annexure 8 to the circular.

16.2 Accordingly, the directors of GPI recommend that shareholders vote in favour of the resolutions to be proposed at the General Meeting.

16.3 The directors individually intend to vote in favour of the resolutions in respect of the shares held by them.

17 **EXPERTS' CONSENTS**

The parties referred to in the Corporate Information section on the inside front cover of this circular have consented in writing to act in the capacities stated and to their names being stated in the circular and, in the case of the reporting accountants, have consented to the inclusion of their reports and references to or extracts from those reports in the form and context in which they appear in the circular, and have not withdrawn their consents prior to the publication of the circular.

18 COSTS

18.1 GPI's estimated costs in relation to negotiating and agreeing the Heads, negotiating and agreeing the Transaction Agreements, preparing and distributing this circular, holding the General Meeting and implementing the Disposals and Restructure of Management Arrangements, including the fees payable to professional advisors, are approximately R14 586 000 exclusive of value-added tax, and include the following:

	Rand
Sponsor – PSG Capital	390 000
Corporate advisor – Leaf Capital	4 500 000
JSE documentation fees	30 000
Printing and postage costs	400 000
Transfer secretaries	200 000
Announcements	130 000
Reporting accountants – Ernst & Young	120 000
Additional reporting accountants – PricewaterhouseCoopers	350 000
Tax consulting – Ernst & Young	135 000
Attorneys' fees – Bernadt, Vukic, Potash & Getz	750 000
Fairness opinion – PSG Capital	150 000
Break fees from the cancellation of debt arrangements	4 201 000
Unwinding of The GPI SPV and The GPI BBBEE Trusts	1 250 000
Other - Contingency	1 980 000
Estimated total	**14 586 000**

18.2 As far as GPI is aware, SunWest, Worcester and RAH have not incurred any costs in relation to the Proposed Restructure.

19 WORKING CAPITAL STATEMENT

The directors are of the view that, after considering the effect of the Proposed Restructure, and subject to the requirements of the Act and the JSE Listings Requirements:

19.1 GPI and the GPI Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the general meeting;

19.2 the assets of GPI and the GPI Group will be in excess of the liabilities of GPI and the GPI Group for a period of 12 months after the date of the general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;

19.3 the share capital and reserves of GPI and the GPI Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general meeting; and

19.4 the working capital of GPI and the GPI Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general meeting.

20 DIRECTORS' RESPONSIBILITY STATEMENT

The directors of GPI, whose names are given on page 20 of this circular, 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 facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the JSE Listings Requirements. With reference to the extract of the latest published interim financial results for RAH as annexed at Annexure 7, the directors of GPI accept responsibility for the information in that annexure having been correctly extracted from the latest unaudited and unreviewed interim results for RAH for the six months ended 31 December 2010 as announced on SENS.

21 GENERAL MEETING OF SHAREHOLDERS

21.1 A general meeting of GPI shareholders will be held at 18:00 on Wednesday, 14 September 2011 at Market Hall, GrandWest Casino, Goodwood, Western Cape for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions contained in the notice of general meeting attached to and forming part of this circular.

21.2 A notice convening the General Meeting is enclosed and forms part of this circular. Full details of the action required by GPI shareholders are set out on page 1 of the circular.

22 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by GPI shareholders during normal business hours at the registered office of GPI and at the Sandton office of the sponsor (see the Corporate Information Section for address details) from Monday, 15 August 2011 to Wednesday, 14 September 2011:

22.1 the memorandum and articles of association of GPI and its subsidiaries;

22.2 in respect of SunWest:

22.2.1 the historical and interim financial information, as disclosed in Annexures 3A and 3B of this circular;

22.3 in respect of Worcester:

22.3.1 the historical and interim financial information, as disclosed in Annexures 5A and 5B of this circular;

22.4 in respect of RAH:

22.4.1 published audited annual financial statements for the financial years ended 30 June 2008, 2009 and 2010;

22.4.2 unaudited, unreviewed interim financial information for the six months ended 31 December 2010, as published on SENS on 3 March 2011;

22.5 the reports of the independent reporting accountants, which are reproduced in Annexures 2, 4 and 6 to this circular;

22.6 the opinion by the independent professional advisor on the Disposals, which is reproduced in Annexure 8 to this circular;

22.7 consent letters by those experts referred to in the Corporate Information section of the circular;

22.8 published audited financial statements of GPI for the financial years ended 30 June 2008, 2009 and 2010 and published unaudited interim financial results for GPI for the six months ended 31 December 2010;

22.9 appointment letter of Sukena Petersen, as referred to in paragraph 10.3.2 of the circular;

22.10 Material contracts, being the:

22.10.1 Heads;

22.10.2 Cancellation Agreements;

22.10.3 SunWest Sale Agreement;

22.10.4 Worcester Sale Agreement;

22.10.5 WC Manco Agreement;

22.10.6 Worcester Manco Agreement;

22.10.7 SIML Management Agreements;

22.11 a signed copy of this circular; and

22.12 trust deed of the GPI Share Incentive Trust.

SIGNED AT CAPE TOWN ON 12 AUGUST 2011 BY HASSEN ADAMS AND SUKENA PETERSEN ON BEHALF OF ALL THE DIRECTORS OF GPI, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS

Hassen Adams	Alexander Abercrombie
Richard Julian Hoption	Ralph Freese
Sukena Petersen	Nombeko Mlambo
Anthony William Bedford	Norman Victor Maharaj
Faldi Samaai	

HASSEN ADAMS Executive Chairman	**SUKENA PETERSEN** Financial Director

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF GPI GROUP

The unaudited *pro forma* consolidated statement of comprehensive income for the six months ended 31 December 2010, and the unaudited *pro forma* consolidated statement of financial position at 31 December 2010 are set out below.

The unaudited *pro forma* financial information has been prepared for illustrative purposes only to provide information on how the Proposed Restructure might have impacted on the financial position and results of the GPI Group. The unaudited *pro forma* financial information has been presented for illustrative purposes only and, because of its nature, may not give a fairly present the GPI Group's financial position and results after the implementation of the Proposed Restructure.

The unaudited *pro forma* financial information is presented in a manner that is consistent with the accounting policies of GPI.

The unaudited *pro forma* financial information as set out below should be read in conjunction with the limited assurance report of the independent reporting accountants which is included as Annexure 2 to this circular.

The directors of GPI are responsible for the preparation of the unaudited *pro forma* financial information.

UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF GPI

	Unaudited before the Proposed Restructure[1]	Adjustments due to the Disposals	Adjustments due to the Restructure of the Management Arrangements	Unaudited pro forma after the Proposed Restructure
	R'000	R'000	R'000	R'000
ASSETS				
Non-current assets	**2,142,364**	**(806,322)**	**(3,419)**	**1,332,623**
Plant and equipment	85,459	-	-	85,459
Investments	19,496	-	-	19,496
Investments in jointly-controlled entities	1,303,540	(251,702)	(3,419)	1,048,419
Investments in associates	585,562	(554,620)	-	30,942
Intangible assets	37,661	-	-	37,661
Goodwill	110,646	-	-	110,646
Current Assets	**85,471**	**494,991**	**63,553**	**644,015**
Trade and other receivables	20,453	-	-	20,453
Employee loans	3,783	-	-	3,783
Related party loan	15,936	-	-	15,936
Inventory	1,347	-	-	1,347
Cash and cash equivalents	43,952	494,991	63,553	602,496
Total Assets	**2,227,835**	**(311,331)**	**60,134**	**1,976,638**

EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital and premium	727,302	-	-	727,302
Treasury shares	(11,669)	-	-	(11,669)
Accumulated profits	998,545	(57,662)	60,134	1,001,017
Available-for-sale investments fair value reserve	54,710	(37,943)	-	16,767
Capital redemption reserve fund	277	-	-	277
Shareholders' interest	**1,769,165**	**(95,605)**	**60,134**	**1,733,694**
Non-controlling interest	5,101	-	-	5,101
Total equity	**1,774,266**	**(95,605)**	**60,134**	**1,738,795**
Non-current liabilities	**394,484**	**(215,726)**	**-**	**178,758**
Deferred tax liabilities	1,360	-	-	1,360
Interest-bearing borrowings	112,000	(40,000)	-	72,000
Cumulative redeemable preference share capital & premium	281,124	(175,726)	-	105,398
Current Liabilities	**59,085**	**-**	**-**	**59,085**
Trade and other payables	33,286	-	-	33,286
Related party loan	15,840	-	-	15,840
Dividends payable	6,681	-	-	6,681
Finance lease liability	2,469	-	-	2,469
Provision	809	-	-	809
Total equity and liabilities	**2,227,835**	**(311,331)**	**60,134**	**1,976,638**
Number of shares in issue ('000)	462,331	-	-	462,331
Number of shares in issue (ex treasury shares) ('000)	456,511	-	-	456,511
Net asset value per share (cents)	382.7	(20.7)	13.0	375.0
Adjusted net asset value per share (cents)	387.5	(20.9)	13.2	379.8
Tangible net asset value per share (cents)	350.6	(20.7)	13.0	342.9
Adjusted tangible net asset value per share (cents)	355.1	(20.9)	13.2	347.3

Notes and assumptions:

1) Extracted from the published unaudited consolidated financial results of GPI for the six months ended 31 December 2010.
2) The Proposed Restructure is assumed to have been implemented on 31 December 2010.
3) Available for sale fair value reserves on the investments sold were released from equity and accounted for in the net profit for the period;
4) The excess of the consideration received above the carrying value of the assets disposed of, the share of the cancellation fees paid and/or received and any impairment's were recognised directly in equity.

UNAUDITED *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME OF GPI

	Unaudited before the Proposed Restructure[1] R'000	Adjustments due to the Disposals R'000	Adjustments due to the Restructure of the Management Arrangements R'000	Unaudited pro forma after the Proposed Restructure R'000
Revenue	160,184	16,198	3,353	179,735
Cost of sales	(91,394)	-	-	(91,394)
Gross profit	**68,790**	**16,198**	**3,353**	**88,341**
Operating costs	(40,169)	(14,600)	-	(54,769)
Operating profit	**28,621**	**(1,598)**	**3,353**	**33,572**
Profit from equity-accounted investments	61,272	(60,995)	61,147	61,424
Profit from jointly- controlled entities	42,764	(6,085)	(5,762)	30,917
Additional share of jointly controlled entities	-	(37,901)	66,909	29,008
Profit from associates	18,508	(17,009)	-	1,499
(Impairment of investment)/ Reversal of impairment	(32,838)	15,000	(3,407)	(21,245)
Loss on sale of investments	-	(45,917)	-	(45,917)
Recycling of fair value reserve	-	22,390	-	22,390
Depreciation and amortisation	(14,265)	-	-	(14,265)
Interest received	1,018	-	-	1,018
Finance costs	(17,932)	9,236	-	(8,696)
Net profit before taxation	**25,876**	**(58,688)**	**61,093**	**28,281**
Taxation	(3,773)	(8,075)	-	(11,848)
Net profit for the period	**22,103**	**(66,763)**	**61,093**	**16,433**
Other comprehensive income				
Changes in reserves of associated companies, net of tax	15,552	(15,553)	-	(1)
Unrealised fair value losses on available for sale investments, net of tax	(1,532)	-	-	(1,532)
Total comprehensive income for the period	36,123	(82,316)	61,093	14,900
Profit for the period attributable to:				
- Ordinary shareholders	21,980	(66,763)	61,093	16,310
- Non-controlling interest	123	-	-	123
	22,103	(66,763)	61,093	16,433
Total comprehensive income for the period attributable to:				
- Ordinary shareholders	36,000	(82,316)	61,093	14,777
- Non-controlling interest	123	-	-	123
	36,123	(82,316)	61,093	14,900

Weighted average number of shares ('000)	462,331	-	-	462,331
Adjusted weighted average number of shares ('000)	456,511	-	-	456,511
Basic and diluted earnings per share (cents)	4.75	(14.44)	13.21	3.52
Headline earnings per share (cents)	11.56	(12.60)	13.95	12.91
Adjusted headline earnings per share (cents)	12.00	0.51	0.21	12.72
Headline earnings reconciliation				
Basic earnings	21,980	(66,763)	61,093	16,310
Impairment of investment / (reversal of impairment)	32,838	(15,000)	3,407	21,245
Loss on sale of investment	-	45,917	-	45,917
Recycling of fair value reserve	-	(22,390)	-	(22,390)
Loss on property, plant and equipment	131	-	-	131
Adjustments by associates				
- Profit on disposal of shares	(1,526)	-	-	(1,526)
Headline earnings	**53,423**	**(58,236)**	**64,500**	**59,687**
Additional share of jointly-controlled entities	-	37,901	(60,200)	(22,299)
Additional interest/ dividends received	-	-	(3,353)	(3,353)
Taxation	-	8,075	-	8,075
Reversal of share incentive trust	(7)	-	-	(7)
Reversal of transaction costs	1,349	14,600	-	15,949
Adjusted headline earnings	**54,765**	**2,340**	**947**	**58,052**

Notes and assumptions:

1) Extracted from the published unaudited consolidated financial results of GPI for the six months ended 31 December 2010.
2) The Proposed Restructure is assumed to have been implemented on 1 July 2010.
3) All adjustments, except for transaction costs, have a continuing effect.
4) Finance costs of R9.2 million for the period up to 31 December 2010 that accrued on the R215.0 million of borrowings which are assumed to be repaid, have been reversed.
5) Transaction costs and break fees for the cancellation of debt arrangements are assumed to be R14.6 million.
6) The proceeds of the Proposed Restructure were received on 1 July 2010 and that such proceeds (less R215.0 million of estimated debt repayment) earned an after tax return of 5.8% during the interim period ended 31 December 2010.
7) The portion of the impairment of Worcester recorded in the published interim financial results for the six months ended 31 December 2010 that relates to the shares being sold, has been reversed;
8) Tax rates of 28% and 14% were applied to revenue and capital items respectively, where applicable.
9) The adjusted headline earnings per share is prepared on the same basis as headline earnings per share except that transaction fees and one-off non-recurring items have been excluded.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF GPI

The Board of Directors
Grand Parade Investments Limited
15th Floor, Triangle House
22 Riebeeck Street
Cape Town
8001

5 August 2011

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS ("the *pro forma* financial information") OF GRAND PARADE INVESTMENTS LIMITED ("GPI") INCLUDED IN THE CIRCULAR TO SHAREHOLDER

We have performed our limited assurance engagement in respect of the unaudited *pro forma* financial information set out in paragraph 8 and Annexure 1 of the circular dated on or about 8 August 2011 issued in connection with the proposed sale of its investment in Real Africa Holdings Limited ("RAH"), subject to certain conditions, and portions of its investments in SunWest International (Pty) Ltd (SunWest) and Worcester Casino (Pty) Ltd to Sun International Limited. The unaudited *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about the proposed sale transaction and the effect thereof, had the corporate action been undertaken at the commencement of the period or at the date of the unaudited *pro forma* consolidated statement of financial position.

Directors' responsibility

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

Reporting accountant's responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the circular to GPI shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information – ISAE 3000* and the *Guide on Pro Forma Financial Information* issued by the South African Institute of Chartered Accountants.

The standard requires us to obtain sufficient appropriate audit 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 unaudited *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 unaudited *pro forma* adjustments in light of the accounting policies of GPI, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of the company in respect of the corporate actions that are the subject of the circular.

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

While our work performed has involved an analysis of the historical unaudited financial information and other information provided to us, our limited 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 Section 8.17 and 8.30 of the JSE Listings Requirements:

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

Ernst & Young Inc.
Director – EAL Botha
Registered Auditor
Chartered Accountant (SA)
Reporting Accountant Specialist
Wanderers Office Park
52 Corlett Drive
Illovo, Johannesburg
South Africa

HISTORICAL FINANCIAL INFORMATION OF SUNWEST

GPI Directors' responsibility statement

As set out in the report by the additional independent reporting accountants at Annexure 4A of the circular, the JSE has granted a formal dispensation allowing the information listed in Annexure 4A under the paragraph heading "*Basis for qualified opinion*", to be omitted from this Annexure 3A. Save as set out in Annexure 4A, the directors of GPI collectively and individually accept full responsibility for the accuracy of the information given in this Annexure 3A and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, all reasonable enquiries to ascertain such facts have been made and the circular contains all information required by law and the JSE Listings Requirements.

Prospects of SunWest

GPI has been advised that trading conditions are expected to remain the same for the second half of 2011 and that SunWest is well-positioned and conservatively geared. GPI has been advised that focus on costs will remain a priority and that SunWest is well-placed to benefit from any improvement in economic conditions.

COMMENTARY
for the year ended 30 June 2010

Earnings

Total revenue for the year ended 30 June 2010 was 5% lower than the previous year at R1.747 million. Gaming revenue was 4% lower, at R1.548 million, whereas rooms revenue was 16% below last year.

The Table Bay achieved an 7% increase in average room rate to R2,230. However, occupancies declined by 14 percentage points to 53% due to a decline in demand primarily from the markets of the United States and United Kingdom and increased rooms inventory in Cape Town. Earnings before interest, tax, depreciation and amortisation (EBITDA) declined by 13% as a result.

EBITDA of R617.4 million for the year was 13% lower than last year with the EBITDA margin declining 3.3 percentage points to 35.3%. The lower margin is due to certain cost increases being ahead of inflation (particularly property costs such as rates, taxes and utilities).

Net interest paid decreased by 17% to R80.5 million as a result of lower interest rates.

Tax of R150.8 million decreased by 16% to the prior year. The effective tax rate was 38.3%.

Adjusted headline earnings of R248.2 million and diluted adjusted headline earnings per share of 1704 cents are 15% below last year.

REPORT OF THE DIRECTORS
for the year ended 30 June 2010

The directors present their annual report, which forms part of the audited financial statements of the company for the year ended 30 June 2010.

PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the company during the year under review was the operation of a casino, hotels and entertainment facilities.

RESULTS

Profit before tax for the year under review totalled R393.8 million (2009: R471.5 million ; 2008: R346.8 million) whilst earnings attributable to ordinary shareholders amounted to R243.0 million (2009: R291.7 million ; 2008: 155.6 million) or R16.68 per share (2009: R20.04 per share; 2008: R11.11 per share). Headline earnings per share were R17.04 per share (2009: R20.03 per share; 2010: R24.11 per share).

AUTHORISED AND ISSUED SHARE CAPITAL

Details of the authorised and issued share capital are set out in note 12 in the annual financial statements.

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

REPORT OF THE DIRECTORS
for the year ended 30 June 2010

DIRECTORS

The directors of the company holding office during the year and at the date of this report were as follows:

H Adams	(Chairman)
A Abercrombie	
RP Becker	
G Collins	
DC Coutts-Trotter	
JC Fraser	Appointed 22 August 2008
RG Freese	
AP Funkey	Resigned 31 July 2008 Appointed 7 November 2008
N Mlambo	
M Naidoo	Appointed 22 August 2008
KRE Peter	Resigned 22 August 2008
SA Bailes	(Alternate to RP Becker) Resigned 31 March 2010
C Reddiar	(Alternate to RP Becker) Appointed 1 April 2010

DIRECTORS' INTEREST IN CONTRACTS

Messrs Abercrombie, Adams and Freese and Mrs Mlambo have material indirect interests in the lease agreements entered into between the Company and the companies listed below in respect of premises at the GrandWest Casino & Entertainment World.

Mr Abercrombie:
- Abercrombie's Coffee Shop CC, trading as the House of Coffees

Mr Adams:
- Trackstar Trading 49 (Pty) Limited, trading as the Cape Town Fish Market
- Retailcorp Brands SA (Pty) Limited, trading as Squires Legendary Grill & Chophouse, Bella Gina and Silver Dollar Spur
- National Sporting Index Limited, trading as Golden Circle Tote
- Afripark (Pty) Limited, trading as Grandpark

Mrs Mlambo
- Nomtsalane Property Services (Pty) Limited

No other director has a material interest in the period under review.

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

REPORT OF THE DIRECTORS
for the year ended 30 June 2010

SECRETARY

SA Bailes resigned as the company secretary on 31 March 2010 and Sun International Corporate Services (Pty) Ltd was appointed in her stead from 1 April 2010, whose registered office and postal addresses are:

REGISTERED OFFICE
27 Fredman drive
Sandown
Sandton
2031
Republic of South Africa

POSTAL ADDRESS
P O Box 784487
Sandton
2146
Republic of South Africa

AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with Section 270(2) of the Companies Act.

ACCOUNTING POLICIES
for the year ended 30 June 2010

The principal accounting policies adopted in preparation of these financial statements are set out below:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. The policies used in preparing the financial statements are consistent with those of the previous year except as indicated in the paragraph on ‘Accounting policy developments’.

Preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. More detail on these estimates and assumptions are included under the policy dealing with ‘Critical accounting estimates and judgements’. Actual results may differ from those estimates.

INTANGIBLE ASSETS

Bid costs on gaming licence bids are capitalised, when it is highly probable that the bid will be successful, and subsequently amortised using the straight-line method over their useful lives, but not exceeding 20 years. Intangible assets are not revalued.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Gains or losses arising on translation are credited to or charged against income. The functional and reporting currency is Rands.

PROPERTY, PLANT AND EQUIPMENT

Freehold land is included at cost and not depreciated.

All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less the residual values over their useful life, using the straight-line method. The principal useful lives over which the assets are depreciated are as follows:

Freehold and leasehold buildings	14 to 50 years
Infrastructure	10 to 50 years
Plant and machinery	10 to 25 years
Equipment	4 to 14 years
Furniture and fittings	5 to 10 years
Vehicles	4 to 10 years

PROPERTY, PLANT AND EQUIPMENT (continued)

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at each balance sheet date.

Operating equipment (which includes uniforms, casino chips, kitchen utensils, crockery, cutlery and linen) is recognised as an expense based on usage. The period of usage depends on the nature of the operating equipment and varies between one to three years.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the owned assets or, where shorter, the term of the relevant lease.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Costs arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is then derecognised. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the company and which have probable economic benefits exceeding the costs beyond one year are included in equipment. Direct costs include staff costs of the software development team and an appropriate portion of the relevant overheads. Expenditure which enhances or extends the performance of these assets beyond their original specifications is recognised as a capital improvement and added to the original cost of the asset.

Borrowing costs and certain direct costs relating to major capital projects are capitalised during the period of development or construction.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

INVENTORY

Inventory comprises of merchandise and consumables and is valued at the lower of cost and net realisable value on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less any costs necessary to make the sale.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at fair value. Cash and cash equivalents comprise cash on hand and deposits held on call with banks. In the balance sheet and cash flow statement bank overdrafts are included in borrowings.

FINANCIAL INSTRUMENTS

Financial instruments carried at balance sheet date include loans and receivables, accounts receivable, cash and cash equivalents, borrowings and accounts payable and accruals.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

Financial assets
The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The financial assets carried at balance sheet date are classified as ‘Loans and receivables’ and ‘Available-for-sale investments’.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. The company’s loans and receivables comprise ‘Loans and receivables’, ‘Accounts receivable’ (excluding VAT and prepayments) and ‘Cash and cash equivalents’.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any impairment.

FINANCIAL INSTRUMENTS (continued)

Available-for-sale investments

Available-for-sale investments are financial assets specifically designated as available-for-sale or not classified in any other categories available under financial assets. These are included in non current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date, in which case they are included in current assets.

Subsequent to initial recognition, available-for-sale investments are carried at fair value, less any impairment.

All purchases and sales of financial assets are recognised on the trade date, which is the date that the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets are impaired. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the loans or receivables. Significant financial difficulties of the counterparty, and default or delinquency in payments are considered indicators that the loan or receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Financial liabilities

The company's financial liabilities at balance sheet date include 'Borrowings' and 'Accounts payable and accruals' (excluding VAT and employee related payables). These financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are included in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

CURRENT AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

CURRENT AND DEFERRED TAX (continued)

Current tax and deferred tax are calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised in the foreseeable future.

SECONDARY TAX ON COMPANIES

Secondary tax on companies (STC) is provided in respect of dividends declared net of dividends received or receivable and is recognised as a tax charge for the year in which the dividend is declared.

LEASES

Leases of assets where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at commencement and are measured at the lower of the fair value of the leased asset and the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in borrowings. The interest element of the lease payment is charged to the statement of comprehensive income over the lease period. The assets acquired under finance leasing contracts are depreciated over the shorter of the useful life of the asset, or the lease period. Where a lease has an option to be renewed, the renewal period is considered when the period over which the asset will be depreciated is determined.

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

BORROWINGS

Borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

BORROWINGS (continued)

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

EMPLOYEE BENEFITS

Defined benefit scheme
The company's holding company operates one defined benefit plan and a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The plans are generally funded by payments from employees and by the relevant group companies, taking account of the recommendations of independent qualified actuaries.

For the defined benefit plan, pension costs are assessed using the projected unit credit method. The cost of providing pension is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plan every three years. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the term of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of employees.

Defined contribution scheme
The company's contributions to defined contribution plans are charged to the statement of comprehensive income in the period to which the contributions relate. The defined contribution plans are provident funds under which the company pays fixed contributions.

Post-retirement medical aid contributions
The company contributes towards the post retirement medical aid contributions of eligible employees. The method of accounting and frequency of valuations are similar to that used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

PROVISIONS

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

PROVISIONS (continued)

Provisions are made for progressive jackpots greater than R100,000. The provision is calculated based on the readings of the progressive jackpot machines. The full provision is expected to be utilised within the next financial year.

SHARE CAPITAL

Ordinary shares are classified as equity.

External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds, net of income taxes, in equity.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the company's activities. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue, and associated costs incurred or to be incurred can be measured reliably.

Revenue includes net gaming win, hotel, entertainment and restaurant revenues, other fees, rental income and the invoiced value of goods and services sold less returns and allowances. Value Added Tax (VAT) and other taxes levied on casino winnings are included in revenue and treated as overhead expenses as these are borne by the company and not by its customers. VAT on all other revenue transactions is considered to be a tax collected as an agent on behalf of the revenue authorities and is excluded from revenue.

Customer loyalty points are provided against revenue when points are earned.

BLACK ECONOMIC EMPOWERMENT TRANSACTIONS

The company applies IFRS 2 'Share-based payment' for equity instruments issued in terms of its BEE transactions if the identifiable consideration received (if any) appears to be less than the fair value of the equity instruments granted.

Share-based payment transactions, in which the Company receives empowerment credits as consideration for its own equity instruments is accounted for as equity-settled. This applies regardless of whether the entity chooses or is required to buy those equity instruments from another party to satisfy its obligations to the BEE shareholder under the share-based payment arrangement. It also applies regardless of whether:

- the BEE shareholder's rights to the Company's equity instruments were granted by the entity itself or by its shareholder(s); or
- the share-based payment arrangement was settled by the Company itself or by its shareholder(s).

SHARE BASED PAYMENT RESERVE

As the Company cannot estimate reliably the fair value of the goods and services received in relation to Black Economic Empowerment, the Company measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The company measures the fair value of equity instruments granted at the grant date, based on fair value, taking into account the terms and conditions upon which those equity instruments were granted.

The Company plans to release the reserve to retained earnings when the options are exercised.

DIVIDEND DISTRIBUTIONS

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are declared.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical accounting estimates and assumptions
The company makes estimates and assumptions concerning the future. Actual results may differ from these estimates.

Asset useful lives and residual values
Property, plant and equipment are depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re–assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment of assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. If the information to project future cash flows is not available or could not be reliably established, management uses the best alternative information available to estimate a possible impairment.

ACCOUNTING POLICY DEVELOPMENTS

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards. These developments resulted in the first time adoption of new standards and revised and additional disclosures required.

Standards, amendments and interpretations effective in 2010

IFRS 2 Amended Share based Payments Vesting Conditions and Cancellations

IFRS 2 was amended to provide more clarity on vesting conditions and cancellations.

The amendment deals with two matters. It clarifies that vesting conditions are service and performance conditions only. Other features of a share based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or other parties, should receive the same accounting treatment.

The amendment had no impact on the company.

IFRS 3 (Revised) Business Combinations

The objective of the revised IFRS 3 is to enhance the relevance, reliability and comparability of the information that an entity provides in its financial statements about a business combination and its effects. It does that by establishing principles and requirements for how an acquirer:

(a) Recognises and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree;

(b) Recognises and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and

(c) Determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

The amendments are not applicable to the company.

ACCOUNTING POLICY DEVELOPMENTS (continued)

IFRS 7 Financial Instruments: Disclosures
The amendments require enhanced disclosures about fair value measurements and liquidity risk.

The amendments have been adopted by the company.

IFRS 8 Operating Segments
IFRS 8 sets out the requirements for disclosure of information about an entity's operating segments also about the entity's products and services, the geographical areas in which it operates, and its major customers.

The standard is not applicable to the company.

IAS 1 (Revised) Presentation of Financial Statements
The main objective of IAS 1 was to aggregate information in the financial statements on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners separately from non-owners changes.

The amendments have been adopted by the company.

IAS 23 (Revised) Borrowing Costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and may no longer be expensed. Other borrowing costs are recognised as an expense.

The company has previously capitalised borrowing costs and therefore the changes have no impact.

IAS 27 (Revised) Consolidated and Separate Financial Statements
The IAS 27 amendments related, primarily, to accounting for non-controlling interests and the loss of control of a subsidiary.

The amendments are not applicable to the company.

Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of financial statements - Puttable Financial Instruments and Obligations Arising on Liquidation
The amendment requires entities to classify financial instruments as equity if certain requirements are met.

As the company does not have any puttable instruments and obligations, the amendments are not currently applicable to the company.

ACCOUNTING POLICY DEVELOPMENTS (continued)

IAS 39 Financial Instruments: Recognition and Measurement
The reclassification amendment allows entities to reclassify particular financial instruments out of the 'at fair value through profit or loss' category in specific circumstances.

The amendment had no impact on the company.

IFRIC 15 Agreements for the Construction of Real Estate
The interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 *Construction Contracts* or IAS 18 *Revenue* and when revenue from the construction should be recognised.

The interpretation is not applicable to the company.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. It does not apply to other types of hedge accounting.

The interpretation is not applicable to the company.

IFRIC 17 Distributions of Non-cash Assets to Owners
The interpretation addresses how an entity should measure distributions of assets other than cash when it pays dividends to its owners.

The interpretation is currently not applicable to the company.

IFRIC 18 Transfers of Assets from Customers
It clarifies the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

The interpretation is currently not applicable to the company.

Standards, amendments and interpretations not yet effective

The company has evaluated the effect of all new standards, amendments and interpretations that have been issued but which are not yet effective. Based on the evaluation, management does not expect these standards, amendments and interpretations to have a significant impact on the company's results and disclosures. The expected implications of applicable standards, amendments and interpretations are dealt with below.

ACCOUNTING POLICY DEVELOPMENTS (continued)

IFRS 2 Amended - Group cash-settled share based payment transactions
The amendment clarifies the accounting for group cash-settled share based payment transactions.

As the company has not entered into any share based payment transactions, the amendment is currently not applicable to the company.

IAS 32 Amendments – Classification of rights issues
The amendments clarify the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer.

As the company does not denominate right issues in other currencies, the amendments are currently not applicable to the company.

IAS 24 Amendment - Related party disclosures
This amendment provides partial relief from the requirement for government related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party.

The amendment will currently have no impact on the company.

IFRS 9 – Financial Instruments
The standard addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

The standard will currently have no impact on the company.

IFRIC 19 (AC 452) Extinguishing Financial Liabilities with Equity Instruments
This interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor.

The interpretation is currently not applicable to the company.

IFRIC 14 (AC 447) Amendment - Prepayments of a Minimum Funding Requirement
This amendment removes an unintended consequence of IFRIC 14 (AC 447) related to voluntary pension prepayments when there is a minimum funding requirement.

The amendment is currently not applicable to the company.

ACCOUNTING POLICY DEVELOPMENTS (continued)

Annual Improvements

Improvements to IFRSs were issued in April 2009 and May 2010 as part of the annual improvement process resulting in amendments to the following standards. Unless otherwise specified, the amendments are effective for annual periods beginning on or after 1 January 2010, although entities are permitted to adopt them earlier.

The following standards have been affected by the project:

- IFRS 2 Share based Payments
- IFRS 3 Business Combinations (effective 1 January 2011)
- IFRS 5 Non Current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures (effective 1 January 2011)
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 18 Revenue
- IAS 27 Consolidated and Separate Financial Statements (effective 1 January 2011)
- IAS 34 Interim Financial Reporting (effective 1 January 2011)
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 13 Customer Loyalty Programmes (effective 1 January 2011)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

Management is currently considering whether any of these changes have an effect.

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2010

	Notes	**2010 R000's**	2009 R000's	2008 R000's
Revenue				
Casino		**1,548,300**	1,614,603	1,726,306
Rooms		**133,867**	159,111	157,510
Food, beverage and other		**66,947**	67,668	68,818
		1,749,114	1,841,382	1,952,634
Less: Promotional allowances		**(1,893)**	(2,951)	(2,285)
		1,747,221	1,838,431	1,950,349
Levies and VAT on casino revenue		**(380,777)**	(399,913)	(429,103)
Depreciation and amortisation		**(143,046)**	(141,156)	(135,049)
Property and equipment rental		**(27,158)**	(29,695)	(40,752)
Property costs		**(22,740)**	(16,765)	(14,382)
BEE Transactional Charge		-	-	(182,047)
Other operational costs		**(699,160)**	(682,410)	(710,078)
Operating profit	1	**474,340**	568,492	438,938
Interest income	2	**1,673**	6,422	913
Interest expense	3	**(82,191)**	(103,412)	(93,066)
Profit before tax		**393,822**	471,502	346,785
Tax	4	**(150,841)**	(179,783)	(191,212)
Profit for the year		**242,981**	291,719	155,573
Other comprehensive income				
Change in fair value of available-for-sale investment, net of tax		**-**	4,802	**-**
Total comprehensive income		**242,981**	296,521	155,573
Earnings per share (Rand)				
Basic	5	**R16.68**	R20.03	R11.11
Headline	5	**R17.04**	R20.04	R24.11
Diluted Earnings per share (Rand)				
Basic	5	**R16.68**	R20.03	R10.90
Headline	5	**R17.04**	R20.04	R23.66
Dividend per share (Rand)		**R20.60**	R24.38	R21.29

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

BALANCE SHEET
as at 30 June 2010

	Notes	2010 R000's	2009 R000's	2008 R000's
ASSETS				
Non current assets				
Property, plant and equipment	6	**1,277,266**	1,327,421	1,420,351
Intangible assets	7	**49,489**	71,642	93,794
Available-for-sale investment	8	**48,232**	48,232	43,430
Loans and receivables	9	**5,757**	8,843	9,200
		1,380,744	1,456,138	1,566,775
Current assets				
Inventory	10	**3,717**	2,429	1,950
Accounts receivable	11	**31,579**	24,813	34,168
Cash and cash equivalents	17.6	**35,284**	30,260	40,902
Tax		-	-	13,585
		70,580	57,502	90,605
Total assets		**1,451,324**	1,513,640	1,657,380
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium	12	**593,289**	570,158	477,758
Share based payment reserve	12	**-**	36,447	182,047
Fair value reserve		**4,802**	4,802	-
Retained loss		**(121,289)**	(100,717)	(183,036)
Total equity		**476,802**	510,690	476,769
Non current liabilities				
Borrowings		**348,303**	339,047	331,155
Deferred tax	13	**42,315**	45,534	37,957
Other non current liabilities	14	**3,556**	3,713	4,535
		394,174	388,294	373,647
Current liabilities				
Accounts payable and accruals	15	**147,361**	156,243	180,869
Provisions	16	**6,125**	4,781	6,951
Bank overdraft		**413,217**	447,611	614,750
Borrowings		**-**	1,990	4,394
Tax		**13,645**	4,031	-
		580,348	614,656	806,964
Total liabilities		**974,522**	1,002,950	1,180,611
Total equity and liabilities		**1,451,324**	1,513,640	1,657,380
Net asset value per share (Rand)		**R32.43**	R35.07	R32.74
Net tangible asset per share (Rand)		**R28.86**	R30.15	R26.30
Number of shares in issue		**14,704**	14,564	14,564

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

CASH FLOW STATEMENT
for the year ended 30 June 2010

	Notes	**2010 R000's**	2009 R000's	2008 R000's
Cash flows from operating activities				
Cash generated from operations	17.1	**611,958**	698,978	776,805
Tax paid	17.2	**(144,446)**	(154,590)	(229,649)
Net cash inflow from operating activities		**467,512**	544,388	547,156
Cash flows from investing activities				
Purchase of property, plant and equipment (PPE)				
Expansion		-	-	(91,050)
Replacement		**(77,869)**	(31,508)	(149,648)
Proceeds on disposal of PPE		**869**	54	1,321
Investment income	17.3	**994**	5,538	-
Loans made		**(771)**	(342)	(214)
Loans realised		**473**	758	1,312
Net cash outflow from investing activities		**(76,304)**	(25,500)	(238,279)
Cash flows from financing activities				
Share premium distribution		-	-	(220,000)
Decrease in borrowings	17.4	**(36,384)**	(172,580)	299,075
Interest paid	17.5	**(72,931)**	(94,350)	(78,875)
Dividends paid		**(300,000)**	(355,000)	(310,000)
Increase in share capital		**23,131**	92,400	-
Net cash outflow from financing activities		**(386,184)**	(529,530)	(309,800)
Net increase/(decrease) in cash and cash equivalents		**5,024**	(10,642)	(923)
Cash and cash equivalents at beginning of year		**30,260**	40,902	41,825
Cash and cash equivalents at end of year	17.6	**35,284**	30,260	40,902

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2010

	Share capital R000's	Share premium R000's	Share based payment reserve R000's	Fair value reserve R000's	Retained earnings R000's	Total equity R000's
Balance at 1 July 2007	**337**	**697,421**	**-**	**-**	**(28,609)**	**669,149**
Profit for the year	-	-	-	-	155,573	155,573
Share Premium Distribution	-	(220,000)	-	-	-	(220,000)
BEE transaction	-	-	182,047	-	-	182,047
Dividends paid	-	-	-	-	(310,000)	(310,000)
Balance at 1 July 2008	**337**	**477,421**	**182,047**	**-**	**(183,036)**	**476,769**
Shares issued	-	92,400	-	-	-	92,400
Release of share based payment reserve	-	-	(145,600)	-	145,600	-
Change in fair value of available-for-sale investment, net of tax	-	-	-	4,802	-	4,802
Total comprehensive income for the year	-	-	-	-	291,719	291,719
Dividends paid	-	-	-	-	(355,000)	(355,000)
Balance at 30 June 2009	**337**	**569,821**	**36,447**	**4,802**	**(100,717)**	**510,690**
Shares issued	-	23,131	-	-	-	23,131
Release of share based payment reserve	-	-	(36,447)	-	36,447	-
Total comprehensive income for the year	-	-	-	-	242,981	242,981
Dividends paid	-	-	-	-	(300,000)	(300,000)
Balance at 30 June 2010	**337**	**592,952**	**-**	**4,802**	**(121,289)**	**476,802**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2010

		2010 R000's	2009 R000's	2008 R000's
1	**OPERATING PROFIT IS STATED AFTER (CHARGING)/CREDITING THE FOLLOWING:**			
	Depreciation and amortisation			
	Property, plant and equipment	**(120,893)**	(119,004)	(112,896)
	Intangible assets	**(22,153)**	(22,152)	(22,153)
		(143,046)	(141,156)	(135,049)
	Operating equipment usage	**(3,924)**	(5,198)	(5,395)
	Operating lease charges			
	Property	**(9,582)**	(16,213)	(18,258)
	Plant, vehicles and equipment	**(528)**	(530)	(321)
	Auditors' remuneration			
	Audit fees	**(873)**	(909)	(1,351)
	Fees for other services	**(110)**	(357)	(34)
	Expenses	**(45)**	(62)	(29)
	Loss on disposal of property, plant and equipment	**(2,334)**	(182)	257
	BEE transaction charge	-	-	(182,047)
2	**INTEREST INCOME**			
	Interest earned on cash and cash equivalents	**994**	5,538	-
	Imputed interest on loans receivable	**679**	884	913
		1,673	6,422	913
3	**INTEREST EXPENSE**			
	Interest paid on lease liabilities	**(11,610)**	(10,627)	(9,752)
	Interest paid on borrowings	**(61,259)**	(81,523)	(71,778)
	Imputed interest on loans payable	**(9,256)**	(10,929)	(12,159)
	Other	**(66)**	(333)	(1,908)
	Capitalised to property, plant and equipment	-	-	2,531
		(82,191)	(103,412)	(93,066)

	2010 R000's	2009 R000's	2008 R000's
4 TAX			
Normal tax - South African	**(120,841)**	(144,283)	(159,945)
Current tax - current year	**(126,506)**	(140,045)	(161,757)
- prior years	**2,446**	3,339	9,840
Deferred tax - current year	**3,219**	(4,238)	440
- prior years	**-**	(3,339)	(9,501)
- rate adjustment	**-**	-	1,033
Secondary tax on companies	**(30,000)**	(35,500)	(31,000)
Withholding tax	-	-	(267)
	(150,841)	(179,783)	(191,212)

	%	%	%
Reconciliation of rate of tax			
Standard rate – South African	**28.0**	28.0	28.0
Adjusted for:			
Exempt income and disallowable expenses	**3.3**	2.6	18.5
Prior year over provision	**(0.6)**	-	(0.4)
Secondary tax on companies	**7.6**	7.5	9.0
Effective tax rate	**38.3**	38.1	55.1

Further information on deferred tax is presented in note 13.

	2010	2009	2008
	R000's	R000's	R000's

5 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the total comprehensive income attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2010	2009	2008
Total comprehensive income	**242,981**	296,521	155,573
Headline earnings adjustments	**5,260**	(4,671)	182,086
Loss on disposal of property, plant and equipment	**2,334**	182	(257)
Fair value adjustment	**4,063**	(4,802)	182,047
Tax relief on the above items	**(1,137)**	(51)	296
Headline earnings	**248,241**	291,850	337,659
Number of shares for EPS and HEPS Calculation ('000s)			
Weighted average number of shares in issue	**14,564**	14,564	14,004
Number of shares for EPS and HEPS Calculation ('000s)	**14,564**	14,564	14,276
Weighted average number of shares in issue	**14,564**	14,564	14,004
Number of shares that would have been issued at market value	**-**	-	272
Earnings per share (Rands)			
Basic	**R16.68**	R20.03	R11.11
Headline	**R17.04**	R20.04	R24.11
Diluted earnings per share (Rands)			
Basic	**R16.68**	R20.03	R10.90
Headline	**R17.04**	R20.04	R23.66

		2010	2009	2008
		R000's	R000's	R000's
6	**PROPERTY, PLANT AND EQUIPMENT**			
	Net carrying value			
	Freehold land and buildings	**758,375**	775,660	792,742
	Leasehold land and buildings	**58,599**	65,048	71,478
	Infrastructure	**112,474**	118,955	126,536
	Plant and machinery	**69,664**	78,577	86,181
	Equipment	**196,949**	185,945	234,780
	Furniture and fittings	**49,781**	63,090	75,691
	Vehicles	**498**	214	377
	Operating equipment	**18,052**	16,009	12,457
	Capital work in progress	**12,874**	23,923	20,109
		1,277,266	1,327,421	1,420,351
	Net carrying value of property, plant and equipment held under finance leases	**-**	1,722	6,827

A copy of the register of properties is available for inspection at the registered office of the company.

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2010	COST					
	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Closing R000's
Freehold land and buildings	909,309	105	-	-	-	909,414
Leasehold land and buildings	141,823	389	-	-	-	142,212
Infrastructure	175,103	351	-	-	1,257	176,711
Plant and machinery	144,141	912	-	-	-	145,053
Equipment	408,399	58,021	(37,581)	-	17,025	445,864
Furniture and fittings	156,311	4,367	(915)	-	-	159,763
Vehicles	1,508	524	(77)	-	-	1,955
Operating equipment	16,009	5,967	-	(3,924)	-	18,052
Capital work in progress	23,923	7,233	-	-	(18,282)	12,874
	1,976,526	77,869	(38,573)	(3,924)	-	2,011,898

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2010	ACCUMULATED DEPRECIATION				
	Opening R000's	Depreciation on disposals R000's	Depreciation R000's	Reclassification R000's	Closing R000's
Freehold land and buildings	(133,649)	-	(17,390)	-	(151,039)
Leasehold land and buildings	(76,775)	-	(6,838)	-	(83,613)
Infrastructure	(56,148)	-	(8,089)	-	(64,237)
Plant and machinery	(65,564)	-	(9,825)	-	(75,389)
Equipment	(222,454)	35,329	(61,790)	-	(248,915)
Furniture and fittings	(93,221)	31	(16,792)	-	(109,982)
Vehicles	(1,294)	6	(169)	-	(1,457)
	(649,105)	35,366	(120,893)	-	(734,632)

No borrowing costs were capitalised during the year.

2009			COST			
	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Closing R000's

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Closing R000's
Freehold land and buildings	909,013	296	-	-	-	909,309
Leasehold land and buildings	141,774	49	-	-	-	141,823
Infrastructure	174,709	394	-	-	-	175,103
Plant and machinery	142,327	1,814	-	-	-	144,141
Equipment	403,274	13,272	(8,147)	-	-	408,399
Furniture and fittings	153,561	3,042	(292)	-	-	156,311
Vehicles	1,431	77	-	-	-	1,508
Operating equipment	12,457	8,750	-	(5,198)	-	16,009
Capital work in progress	20,109	3,814	-	-	-	23,923
	1,958,655	31,508	(8,439)	(5,198)	-	1,976,526

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 30 June 2010

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2009	ACCUMULATED DEPRECIATION				
	Opening R000's	Depreciation on disposals R000's	Depreciation R000's	Reclassification R000's	Closing R000's
Freehold land and buildings	(116,269)	-	(17,380)	-	(133,649)
Leasehold land and buildings	(70,297)	-	(6,478)	-	(76,775)
Infrastructure	(48,172)	-	(7,976)	-	(56,148)
Plant and machinery	(56,147)	-	(9,417)	-	(65,564)
Equipment	(168,496)	7,990	(61,948)	-	(222,454)
Furniture and fittings	(77,869)	213	(15,565)	-	(93,221)
Vehicles	(1,054)	-	(240)	-	(1,294)
	(538,304)	8,203	(119,004)	-	(649,105)

Lease rentals amounting to R16,213,000 relating to the lease of office equipment and property are included in the income statement.

No borrowing costs were capitalised during the year.

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2008	COST						
	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Interest capitalised R000's	Closing R000's
Freehold land and buildings	777,675	37,225	(682)	-	93,483	1,312	909,013
Leasehold land and buildings	141,408	366	-	-	-	-	141,774
Infrastructure	161,460	10,195	-	-	3,008	46	174,709
Plant and machinery	121,371	13,897	-	-	6,693	366	142,327
Equipment	355,769	7,653	(38,669)	-	77,872	649	403,274
Furniture and fittings	115,477	21,362	(6,162)	-	22,726	158	153,561
Vehicles	1,303	128	-	-	-	-	1,431
Operating equipment	11,101	6,744	-	(5,395)	7	-	12,457
Capital work in progress	83,292	140,597	-	-	(203,780)	-	20,109
	1,768,856	238,167	(45,513)	(5,395)	9	2,531	1,958,655

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2008	ACCUMULATED DEPRECIATION				
	Opening R000's	Depreciation on disposals R000's	Depreciation R000's	Reclassification R000's	Closing R000's
Freehold land and buildings	(99,266)	248	(17,251)	-	(116,269)
Leasehold land and buildings	(63,834)	-	(6,463)	-	(70,297)
Infrastructure	(40,678)	-	(7,494)	-	(48,172)
Plant and machinery	(47,153)	-	(8,994)	-	(56,147)
Equipment	(147,301)	38,179	(59,374)	-	(168,496)
Furniture and fittings	(70,879)	6,021	(13,011)	-	(77,869)
Vehicles	(745)	-	(309)	-	(1,054)
	(469,856)	44,448	(112,896)	-	(538,304)

Lease rentals amounting to R16,021,000 relating to the lease of office equipment and property are included in the income statement.

Borrowing costs of R2,531,000 were capitalised during the year. A capitalisation rate approximating the borrowing costs of the loans used to finance the relevant projects was used.

		2010	2009	2008
		R000's	R000's	R000's
7	**INTANGIBLE ASSETS**			
	Bid costs			
	Cost	**260,372**	260,372	260,372
	Accumulated amortisation	**(210,883)**	(188,730)	(166,578)
	Net book amount	**49,489**	71,642	93,794
	Movements on intangible asset			
	Balance at beginning of year	**71,642**	93,794	115,947
	Amortised during the year	**(22,153)**	(22,152)	(22,153)
		49,489	71,642	93,794

8 AVAILABLE-FOR-SALE INVESTMENT

	2010	2009	2008
Available-for-sale investment comprises:			
Cape Town International Convention Centre Company (Proprietary) Limited (CTICC)	**48,232**	48,232	43,430
Opening fair value	**48,232**	43,430	43,430
Change in fair value, net of tax	**-**	4,802	-

Effective 1 July 2009, the company adopted amendments to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of the fair value measurement by level of the following fair value measurement hierarchy:

-Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1);
-Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
-Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The available-for-sale investment is classified as level 3. The 24.75% investment in the unlisted CTICC forms part of the company's bid commitments in the Western Cape. During the 2007 financial year the investment was impaired based on the CTICC impairing the carrying value of its buildings. Subsequently, an impairment test was conducted by the CTICC resulting in the recognition of a reversal of impairment of R17,4 million in their 2008 financial statements of which 24,75% was recognized in SunWest International (Pty) Ltd. The investment is stated at fair value. Fair value is based on the latest available statutory financial statements, prepared on a going concern basis and in accordance with IFRS, of the CTICC being 30 June 2009. SunWest has no significant influence over the company, therefore the investment is designated as available-for-sale.

	2010 R000's	2009 R000's	2008 R000's

9 LOANS AND RECEIVABLES

	2010 R000's	2009 R000's	2008 R000's
Sun International Employee Share Trust (SIEST)	**5,757**	8,843	8,377
Concessionaires	**-**	-	1,747
	5,757	8,843	10,124
Current portion	**-**	-	(924)
	5,757	8,843	9,200

During the year the repayment profile of the loan was re-determined which resulted in the fair value adjustment as disclosed above.

	2010 R000's	2009 R000's	2008 R000's
Loans are due over the following periods:			
Less than 1 year	**-**	-	924
1 – 2 years	**5,757**	-	823
2 – 3 years	**-**	8,843	-
3 – 4 years	**-**	-	8,377
4 years and onwards	**-**	-	-
	5,757	8,843	10,124

The loan to the SIEST is fully performing. Credit risk arising from the loan is regarded as low as the loan will be repaid by the SIEST through dividend flows and proceeds on the disposal of the underlying investments held by the trust.

The fair value of loans and receivables approximates their carrying value.

10 INVENTORY

	2010 R000's	2009 R000's	2008 R000's
Merchandise	**1,883**	1,431	1,204
Consumables and hotel stocks	**1,834**	998	746
	3,717	2,429	1,950

	2010 R000's	2009 R000's	2008 R000's
11 ACCOUNTS RECEIVABLE			
Financial instruments			
Trade receivables	**16,863**	11,241	21,434
Less: impairment	**(308)**	(461)	(50)
Net trade receivables	**16,555**	10,780	21,384
Other receivables	**891**	1,813	2,678
	17,446	12,593	24,062
Non financial instruments			
Prepayments	**14,133**	12,220	10,106
	31,579	24,813	34,168

The fair values of trade and other receivables approximate their carrying value.

The company has recognised a provision of R308,000 (2009: R461,000 ; 2008: R50,000) for the impairment of its trade receivables during the year ended 30 June 2010. The company has utilised provision for impaired receivables of R396,601 during the year ended 30 June 2010 (2009: R314,000 ; 2008: Rnil). The creation and usage of the provision for impaired receivables have been included in other operational costs in the statements of comprehensive income.

Other receivables are expected to be fully recoverable. The trade receivables which are fully performing and past due but not impaired relate to customers that have a good track record with the company in terms of recoverability.

The aging of trade receivables at the reporting date was:

	Gross R000's	**Impairment R000's**
2010		
Fully performing	**953**	**-**
Past due by 1 to 30 days	**3,029**	**-**
Past due by 31 to 60 days	**10,804**	**-**
Past due by 61 to 90 days	**563**	**(46)**
Past due by more than 90 days	**1,514**	**(262)**
	16,863	**(308)**

11 ACCOUNTS RECEIVABLE (continued)

2009	Gross R000's	Impairment R000's
Fully performing	2,119	-
Past due by 1 to 30 days	2,877	-
Past due by 31 to 60 days	3,656	-
Past due by 61 to 90 days	1,223	-
Past due by more than 90 days	1,366	(461)
	11,241	(461)

2008	Gross R000's	Impairment R000's
Fully performing	10,943	-
Past due by 1 to 30 days	2,585	-
Past due by 31 to 60 days	4,422	-
Past due by 61 to 90 days	1,072	-
Past due by more than 90 days	2,412	(50)
	21,434	(50)

	2010 R000's	2009 R000's	2008 R000's
12 SHARE CAPITAL AND PREMIUM			
Authorised			
4,000,000 (2009: 4,000,000) ordinary shares of R0.10 each	**400**	400	400
12,000,000 (2009: 12,000,000) 'N' ordinary shares of R0.0001 each	**1**	1	1
4,000,000 (2009: 4,000,000) redeemable cumulative preference shares of R0.01 each	**40**	40	40
	441	441	441
Issued			
3,355,000 (2009: 3,355,000) ordinary shares of R0.10 each	**336**	336	336
11,348,830 (2009: 11,208,648) 'N' ordinary shares of R0.0001 each	**1**	1	1
	337	337	337

All issued shares are fully paid.

The 'N' ordinary shares rank pari pasu with the ordinary shares in the capital of the company save that on a poll the holders of 'N' ordinary shares are entitled to that proportion of the total votes which the aggregate amount of the nominal value of the 'N' ordinary shares bears to the aggregate amount of the nominal value of all shares issued by the company.

On 29 June 2010 Grand parade Investments Ltd exercised the remaining options available amounting to 140,182 'N' ordinary shares (GPI).

The BEE transaction charge relates to an agreement reached with GPI whereby an option of up to 5% shareholding (i.e. 700,182 'N' ordinary shares) at R165 per share was granted by SunWest International (Pty) Ltd to GPI, a shareholder in SunWest International (Pty) Ltd. This was in exchange for a lock in of between 25-35% of GPI's BEE shareholders until 2012.

	2010	2009	2008
	R000's	R000's	R000's
Reconciliation of number of shares in issue			
Balance at beginning of year	**11,208,648**	10,648,648	10,648,648
Shares issued	**140,182**	560,000	-
Balance at end of year	**11,348,830**	11,208,648	10,648,648
Reconciliation of share premium and share based payment reserve			
Balance at beginning of year	**606,268**	659,468	697,421
Shares issued	**23,131**	92,400	-
BEE transactional charge	**(36,447)**	(145,600)	182,047
Cash distribution from share premium	**-**	-	(220,000)
Balance at end of year	**592,952**	606,268	659,468

12 SHARE CAPITAL AND PREMIUM (continued)

During the 2009 financial year a total of 560,000 'N' ordinary shares were issued to Grand Parade Investments Ltd (GPI) on the exercising of an option.

The BEE transaction charge relates to an agreement reached with GPI whereby an option of up to 5% shareholding (i.e. 700,182 'N' ordinary shares) at R165 per share was granted by SunWest International (Pty) Ltd to GPI, a shareholder in SunWest International (Pty) Ltd. This was in exchange for a lock in of between 25-35% of GPI's BEE shareholders until 2012.

GPI had an option over a further 140,182 'N' ordinary shares at R165 per share which expired on 29 June 2010.

	2010 R000's	2009 R000's	2008 R000's
13 DEFERRED TAX			
Balance at beginning of year	**45,534**	37,957	29,928
Statement of comprehensive income (credit)/charge for year	**(3,219)**	4,238	(440)
Prior year under provision	**-**	3,339	9,501
Rate adjustment	**-**	-	(1,032)
Balance at end of year	**42,315**	45,534	37,957

Deferred tax arises from the following temporary differences:

	2010 R000's	2009 R000's	2008 R000's
Deferred tax liability			
Accelerated asset allowances			
Balance at beginning of year	**68,916**	60,918	49,992
(Credited)/charged to statement of comprehensive income	**(1,595)**	4,659	2,933
Prior year under provision	**-**	3,339	9,717
Adjustment due to tax rate change	**-**	-	(1,724)
	67,321	68,916	60,918

	2010 R000's	2009 R000's	2008 R000's
DEFERRED TAX (continued)			
To be recovered after more than 12 months	**67,321**	68,916	60,918
To be recovered within 12 months	**-**	-	-
	67,321	68,916	60,918
Deferred tax assets			
Disallowed accruals and provisions	**(10,423)**	(11,414)	(12,398)
Balance at beginning of year	**(11,414)**	(12,398)	(10,742)
Charged to statement of comprehensive income	**991**	984	(2,027)
Charged to statement of comprehensive income	**-**	-	371
Fair value adjustments	**(14,583)**	(11,968)	(10,563)
Balance at beginning of year	**(11,968)**	(10,563)	(9,322)
Credited statement of comprehensive income	**(2,615)**	(1,405)	(1,347)
Prior year under provision	**-**	-	(215)
Adjustment due to tax rate change	**-**	-	321
	(25,006)	(23,382)	(22,961)
To be recovered after more than 12 months	**-**	-	-
To be recovered within 12 months	**(25,006)**	(23,382)	(22,961)
	(25,006)	(23,382)	(22,961)
Net deferred tax liability	**42,315**	45,534	37,957

	2010 R000's	2009 R000's	2008 R000's
14 OTHER NON CURRENT LIABILITIES			
Non financial instruments			
Post-retirement medical aid liability	**3,556**	3,713	4,535

Sun International Limited operates a pension scheme and a provident fund. Currently the provident fund is available to all employees while the pension scheme was closed to new employees in 1995. Contributions are made by both the company and its employees. 98% (2009: 98% ; 2008: 98%) of employees were members of one of these schemes as at 30 June 2010.

The pension scheme is a defined contribution plan in the stand alone financial statements of SunWest International (Proprietary) Limited but is treated as a defined benefit plan from a group perspective and therefore all the defined benefit disclosure is provided in the group financial statements.

Contributions to the pension scheme, which are charged against profits, are based upon actuarial advice following the periodic valuations of the fund.

The company and employees contributed R20 million to these schemes during the year (2009: R20 million ; 2008: R19 million).

Post-retirement medical aid liability
The company contributes towards the post retirement medical aid contributions of eligible employees employed by the Sun International group as at 30 June 2003. Employees who joined the group after 1 July 2003 will not be entitled to any co-payment subsidy from the group upon retirement. Employees are eligible for such benefits on retirement based upon the number of completed years of service. The method of accounting and frequency of valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

	2010 R000's	2009 R000's	2008 R000's
Movement in unfunded obligation:			
Benefit obligation at beginning of year	**3,713**	4,535	3,688
	377	429	452
Current service cost	**175**	183	274
Actuarial gain	**(709)**	(680)	205
Benefits paid	**-**	(754)	(84)
Benefit obligation at end of year	**3,556**	3,713	4,535

		2010 R000's	2009 R000's	2008 R000's
14	**OTHER NON CURRENT LIABILITIES (continued)**			
	Post-retirement medical aid liability (continued)			
	The amounts recognised in the statement of comprehensive income are as follows:	**175**	183	274
	Current service cost			
	Interest cost	**377**	429	452
	Actuarial gain	**(709)**	(680)	205
	Total	**(157)**	(68)	931
	The principal actuarial assumptions used for accounting purposes were:			
	Discount rate	**9.25%**	9.25%	8%
	Price inflation allowed by company	**4.89%**	5.75%	4.5%
	The average life expectancy in years of a qualifying employee retiring at age 60, 20 years after the balance sheet date is as follows:			
	Male	**19.4**	19.4	19.4
	Female	**24.2**	24.2	24.2
	The effects of a 1% movement in the assumed medical cost trend rate were as follows:			
	Effect on the aggregate of the current service cost and interest cost:			
	Increase	**93**	128	251
	Decrease	**(75)**	(98)	(192)
	Effect on the defined benefit obligation:			
	Increase	**632**	844	1,463
	Decrease	**(515)**	(655)	(1,130)

		2010 R000's	2009 R000's	2008 R000's
15	**ACCOUNTS PAYABLE AND ACCRUALS**			
	Financial instruments			
	Trade payables	**25,496**	16,352	15,037
	Amounts due to related parties	**16,071**	44,707	56,545
	Accrued expenses	**62,851**	56,047	66,675
	Interest payable	**1,207**	1,203	3,070
		105,625	118,309	141,327
	Non financial instruments			
	VAT	**8,523**	6,891	6,949
	Employee related accruals	**21,355**	21,481	23,525
	CSI	**2,390**	760	636
	Other	**9,468**	8,802	8,432
		147,361	156,243	180,869

The fair value of accounts payable and accruals approximate their carrying value.

		2010 R000's	2009 R000's	2008 R000's
16	**PROVISIONS**			
	Progressive jackpots			
	Balance at beginning of year	**4,781**	6,951	11,008
	Created during the year	**46,162**	55,903	51,483
	Utilised during the year	**(44,818)**	(58,073)	(55,540)
	Balance at end of year	**6,125**	4,781	6,951

		2010 R000's	2009 R000's	2008 R000's
17	**CASH FLOW INFORMATION**			
17.1	**Cash generated by operations**			
	Operating profit	**474,340**	568,492	438,938
	Non cash items and items dealt with separately:			
	Depreciation and amortisation	**143,046**	141,156	135,049
	Operating equipment usage	**3,924**	5,198	5,395
	Loss on disposal of property, plant and equipment	**2,334**	182	(257)
	Trade receivables impairment provision	**(153)**	411	-
	Post-retirement medical aid liability	**(157)**	(822)	847
	Fair value adjustment on loan to SIEST	**4,063**	-	-
	BEE transaction charge	**-**	-	182,047
	Cash generated by operations before working capital changes	**627,397**	714,617	762,019
	Working capital changes	**(15,439)**	(15,639)	14,786
	Inventory	**(1,288)**	(479)	(16)
	Accounts receivable	**(6,613)**	9,769	(4,009)
	Accounts payable, accruals and provisions	**(7,538)**	(24,929)	18,811
		611,958	698,978	776,805
17.2	**Tax paid**			
	Liability at beginning of year	**(4,031)**	13,585	(32,880)
	Current tax provided (note 4)	**(126,506)**	(140,045)	(161,757)
	Prior year over provision (Note 4)	**2,446**	3,339	9,840
	STC	**(30,000)**	(35,500)	(31,000)
	Other taxes	**-**	-	(267)
	Liability at end of year	**13,645**	4,031	(13,585)
		(144,446)	(154,590)	(229,649)
17.3	**Investment income**			
	Interest income	**1,673**	6,422	913
	Imputed interest on fair valued loans	**(679)**	(884)	(913)
		994	5,538	-

		2010 R000's	2009 R000's	2008 R000's
17	**CASH FLOW INFORMATION (continued)**			
17.4	**Decrease in borrowings**			
	Increase in borrowings and overdrafts	**-**	-	300,758
	Decrease of borrowings and overdrafts	**(36,384)**	(172,580)	(1,683)
		(36,384)	(172,580)	299,075
17.5	**Interest paid**			
	Interest accrued at the beginning of the year	**(1,203)**	(3,070)	(1,039)
	Interest expense	**(82,191)**	(103,412)	(93,065)
	Interest accrued at the end of the year	**1,207**	1,203	3,070
	Imputed interest on fair valued loans	**9,256**	10,929	12,159
		(72,931)	(94,350)	(78,875)
17.6	**Cash and cash equivalents consist of:**			
	Cash floats	**35,284**	30,260	40,902
		35,284	30,260	40,902
18	**CAPITAL EXPENDITURE AND RENTAL COMMITMENTS**			
	Capital commitments			
	Contracted	**9,235**	-	-
	Authorised by the directors but not contracted	**84,960**	120,465	65,164
		94,195	120,465	65,164
	To be spent in the forthcoming financial year	**94,195**	120,465	62,164
	To be spent thereafter	**-**	-	3,000
		94,195	120,465	65,164

Future capital expenditure will be funded by internally generated cash flows and debt facilities.

Rental commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2010 R000's	2009 R000's	2008 R000's
Not later than 1 year	**511**	435	456
Later than 1 year but not later than 5 years	**541**	435	-
Later than 5 years	**574**	-	-
	1,626	870	456

19 RELATED PARTY

Key management has been defined as SunWest International (Proprietary) Limited's board of directors and Sun International Management Limited. The definition of a related party includes the close members of family of key management personnel and any entity over which key management exercise control. Close members of family are those members who may be expected to influence, or be influenced by that individual in their dealings with the company. They may include the individual's domestic partner and children, the children of the individual's domestic partner and dependants of the individual or the individual's domestic partner. Transactions with related parties are at arms length prices.

		2010 R000's	2009 R000's	2008 R000's
19	**RELATED PARTY(continued)**			
	(i) Transactions with related parties			
	The company was reimbursed by the Western Cape Casino Resort Manco (Pty) Ltd for expenses incurred on their behalf	**3,451**	3,078	3,598
	All transactions were on commercial terms and conditions.			
	The company paid interest on the loan from Sun International Limited			
	Fixed Rental	**11,610**	10,627	9,752
	Intercompany interest	**25,999**	23,852	21,883
		37,609	34,479	31,635
	Dividends received by key management	**949**	1,315	1,194
	(ii) Directors emoluments			
	Non-executive directors fees	**472**	435	360
	(iii) Loans from related parties			
	Sun International Limited			
	Loan and preference shares:			
	Balance at the beginning of the year	**339,047**	328,118	315,959
	Fair value adjustment	**9,256**	10,929	12,159
		348,303	339,047	328,118

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 30 June 2010

	2010 R000's	2009 R000's	2008 R000's

19 RELATED PARTY(continued)

(vi) Other transactions with related parties
Rental received from concessionaires who are related parties by virtue of the directors' interest in contracts (refer to the report of the directors)

	2010	2009	2008
House of Coffees	**203**	193	189
Cape Town Fish Market	**882**	843	883
Squires Legendary Grill	**664**	603	615
Bella Gina	**301**	292	290
Silver Dollar Spur	**755**	764	408
	2,805	2,695	2,385

20 FINANCIAL RISK MANAGEMENT

Liquidity risk
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Repayment of borrowings are structured so as to match the expected cash flows from operations to which they relate.

The following are the maturity analysis of contractual undiscounted financial liabilities (including principal and interest payments) and financial assets presented in Rands:

R000's	On demand or not exceeding 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2010					
Financial assets					
Loans and receivables	-	-	-	-	**5,757**
Accounts receivables*	**17,446**	-	-	-	-
Bank and cash	**35,284**	-	-	-	-
Financial liabilities					
Term facilities	-	-	-	-	**(157,163)**
Bank overdraft	**(413,217)**	-	-	-	-
Accounts payable	**(25,496)**	-	-	-	-
Amounts due to related parties	**(16,071)**	-	-	-	-
Accrued expenses	**(62,850)**	-	-	-	-
Interest payable	**(1,207)**	-	-	-	-
	(466,111)	-	-	-	**(151,406)**

**Prepayments and VAT are excluded from accounts receivable*

20 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

R000's	On demand or less than 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2009					
Financial assets					
Loans and receivables	-	-	-	-	8,843
Accounts receivables*	12,593	-	-	-	-
Bank and cash	30,260	-	-	-	-
Financial liabilities					
Term facilities	-	-	-	-	(147,907)
Lease liabilities	(1,990)	-	-	-	-
Bank overdraft	(447,613)	-	-	-	-
Accounts payable	(16,352)	-	-	-	-
Amounts due to related parties	(44,707)	-	-	-	-
Accrued expenses	(56,047)	-	-	-	-
Interest payable	(1,203)	-	-	-	-
	(525,059)	**-**	**-**	**-**	**(156,750)**

**Prepayments and VAT are excluded from accounts receivable*

20 FINANCIAL RISK MANAGEMENT (continued)

R000's	On demand or less than 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2008					
Financial assets					
Loans and receivables	-	-	-	-	9,200
Accounts receivables*	24,062	-	-	-	-
Bank and cash	40,902	-	-	-	-
Financial liabilities					
Term facilities	-	-	-	-	(136,978)
Lease liabilities	(2,441)	(2,443)	(2,429)	(785)	-
Bank overdraft	(614,750)	-	-	-	-
Accounts payable	(15,037)	-	-	-	-
Amounts due to related parties	(56,545)	-	-	-	-
Accrued expenses	(90,200)	-	-	-	-
Interest payable	(3,070)	-	-	-	-
Interest payable	(9,069)	-	-	-	-
	(726,148)	**(2,443)**	**(2,429)**	**(785)**	**(127,778)**

**Prepayments and VAT are excluded from accounts receivable*

The company had unutilised borrowing facilities of R247 million (2009: R230 million) at 30 June. All undrawn borrowing facilities are renewable annually and none has a fixed interest rate.

Credit risk

Credit risk arises from loans and receivables, accounts receivable (excluding prepayments and VAT), and cash and cash equivalents. The granting of credit is controlled by application and account limits. Cash investments are only placed with high quality financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset determined to be exposed to credit risk.

The company has no significant concentrations of credit risk with respect to trade receivables due to a widely dispersed customer base. Credit risk with respect to loans and receivables is disclosed in note 11.

20 FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk includes foreign currency risk, interest rate risk and other price risk. The company's exposure to other price risk is limited as the company does not have any investments which are subject to changes in equity prices.

(a) Foreign currency risk

The company does not have any foreign currency risk exposure.

(b) Cash flow interest rate risk

The company's cash flow interest rate risk arises from cash and cash equivalents and variable rate borrowings. The company is not exposed to fair value interest rate risk as the company does not have any fixed interest bearing financial instruments carried at fair value.

The company manages interest rate risk by entering into short and long term debt instruments with a combination of fixed and variable interest rates. The interest rate characteristics of new and refinanced debt instruments are restructured according to expected movements in interest rates.

Interest rate sensitivity

A 1% increase in interest rates at 30 June 2010 would decrease profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	2010 R000's	2009 R000's	2008 R000's
Increase of 1%	(4,132)	(4,476)	(3,297)
Decrease of 1%	4,132	4,476	2,843

A 1% decrease in interest rates at 30 June 2010 would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the company may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or buy back existing shares. The board of directors monitors the level of capital, which the company defines as total share capital and share premium.

There were no changes to the company's approach to capital management during the year.

The company is not subject to externally imposed capital requirements.

21 POST BALANCE SHEET EVENTS

No material events having an effect on the financial position and results of the company have occurred between 30 June 2010 and the date of this report.

INTERIM FINANCIAL INFORMATION OF SUNWEST OR THE SIX MONTHS ENDED 31 DECEMBER 2010

GPI Directors' responsibility statement

As set out in the report by the additional independent reporting accountants at Annexure 4B of the circular, the JSE has granted a formal dispensation allowing the information listed in Annexure 4B under the paragraph heading "*Basis for qualified conclusion*", to be omitted from this Annexure 3B. Save as set out in Annexure 4B, the directors of GPI collectively and individually accept full responsibility for the accuracy of the information given in this Annexure 3B and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, all reasonable enquiries to ascertain such facts have been made and the circular contains all information required by law and the JSE Listings Requirements.

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

INTERIM COMMENTARY

Earnings

Total revenue for the six months ended 31 December 2010 was 5% ahead of last year at R910.7 million. Gaming revenue was 6% above last year, at R818.7 million, whereas rooms revenue was 3% below last year.

The Table Bay achieved an 18% increase in average room rate to R2,230. However, occupancies declined by 10 percentage points to 44% due to a decline in demand primarily from the markets of the United States and United Kingdom and increased rooms inventory in Cape Town. Earnings before interest, tax, depreciation and amortisation (EBITDA) declined by 17% as a result.

EBITDA of R314.3 million for the six months was 2% higher than last year with the EBITDA margin declining 1.0 percentage points to 34.5%. The lower margin is due to certain cost increases being ahead of inflation (particularly property costs such as rates, taxes and utilities).

Net interest paid decreased by 13% to R35.2 million as a result of lower interest rates.

Tax of R81.6 million decreased by 6% to the prior year. The effective tax rate was 40%.

Adjusted headline earnings of R123.1 million and diluted adjusted headline earnings per share of 846 cents are 2% and 3% above last year respectively.

GrandWest Exclusivity

GrandWest's initial 10-year casino exclusivity in the Cape Metropole expired during December 2010. The Provincial Government of the Western Cape is still considering whether to permit one of the other casino licence holders in the Western Cape to relocate to the Cape Metropole and has engaged interested stakeholders before taking a final decision.

Sufficient information to assess the potential impact on GrandWest's revenue and profitability remains unavailable.

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

INTERIM STATEMENT OF COMPREHENSIVE INCOME

		Six months ended	
	Notes	**December 2010 Unaudited R000's**	December 2009 Unaudited R000's
Revenue			
Casino		**818,665**	772,926
Rooms		**61,709**	63,798
Food, beverage and other		**30,302**	31,725
		910,676	868,449
Levies and VAT on casino revenue		**(201,980)**	(191,517)
Depreciation and amortisation		**(74,303)**	(69,681)
Property and equipment rental		**(11,448)**	(11,858)
Property costs		**(12,051)**	(10,188)
Other operational costs		**(370,914)**	(348,247)
Operating profit		**239,980**	236,958
Interest income		**344**	454
Interest expense		**(35,580)**	(40,880)
Profit before tax		**204,744**	196,532
Tax	5	**(81,565)**	(76,768)
Profit for the period		**123,179**	119,764
Other comprehensive income		-	-
Total comprehensive income		**123,179**	119,764
Earnings per share (Rand)	6		
Basic		**R8.46**	R8.22
Headline		**R8.46**	R8.22
Dividends per share (Rand)		**R10.30**	R11.16

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

INTERIM BALANCE SHEET

	31 December 2010 Unaudited R000's	30 June 2010 Audited R000's
ASSETS		
Non current assets		
Property, plant and equipment	1,235,928	1,277,266
Intangible assets	38,413	49,489
Available-for-sale investment	48,232	48,232
Loans and receivables	5,668	5,757
	1,328,241	1,380,744
Current assets		
Inventory	3,645	3,717
Accounts receivable	42,044	31,579
Cash and cash equivalents	38,498	35,284
	84,187	70,580
Total assets	1,412,428	1,451,324
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	593,289	593,289
Fair value reserve	4,802	4,802
Retained loss	(171,140)	(121,289)
Total equity	426,951	476,802
Non current liabilities		
Borrowings	368,827	348,303
Deferred tax	42,343	42,315
Other non current liabilities	3,653	3,556
	414,823	394,174
Current liabilities		
Accounts payable and accruals	159,760	147,361
Provisions	-	6,125
Bank overdraft	406,560	413,217
Borrowings	1,898	-
Tax	2,436	13,645
	570,654	580,348
Total liabilities	985,477	974,522
Total equity and liabilities	1,412,428	1,451,324
Net assets per share (Rand)	R29.32	R32.74
Net tangible assets per share (Rand)	R26.68	R29.34
Number of shares in issue	14,564	14,564

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

INTERIM CASH FLOW STATEMENT
for the year ended

	December 2010 Unaudited R000's	December 2009 Unaudited R000's
Cash flows from operating activities		
Cash generated from operations	**317,938**	349,562
Tax paid	**(93,372)**	(80,922)
Net cash inflow from operating activities	**224,566**	268,640
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)		
Replacement	**(26,975)**	(55,843)
Investment income	**344**	454
Loans made	**(344)**	(454)
Loans realised	**433**	259
Net cash outflow from investing activities	**(26,542)**	(55,584)
Cash flows from financing activities		
Decrease in borrowings	**15,770**	(12,980)
Interest paid	**(35,580)**	(40,880)
Dividends paid	**(175,000)**	(150,000)
Net cash outflow from financing activities	**(194,810)**	(203,860)
Net increase/(decrease) in cash and cash equivalents	**3,214**	9,196
Cash and cash equivalents at beginning of year	**35,284**	30,260
Cash and cash equivalents at end of year	**38,498**	39,456

SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED

INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital R000's	Share premium R000's	Share based payment reserve R000's	Fair value reserve R000's	Retained earnings R000's	Total equity R000's
Balance at 1 July 2009	**337**	**569,821**	**36,447**	**4,802**	**(100,717)**	**510,690**
Total comprehensive income for the year	-	-	-	-	119,764	119,764
Dividends paid	-	-	-	-	(150,000)	(150,000)
Balance at 31 December 2009 unaudited	**337**	**569,821**	**36,447**	**4,802**	**(130,953)**	**480,454**
Shares issued	-	23,131	-	-	-	23,131
Release of share based payment reserve	-	-	(36,447)	-	-	(36,447)
Total comprehensive income for the year	-	-	-	-	284,813	284,813
Dividends paid	-	-	-	-	(325,000)	(325.000)
Balance at 31 December 2010 unaudited	**337**	**592,952**	**-**	**4,802**	**(171,140)**	**426,951**

1. GENERAL INFORMATION

The principal activity of the company during the year under review was the operation of a casino, hotels and entertainment facilities. This condensed interim financial information was approved for issue on 22 July 2011.

This condensed interim financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

The condensed financial information for the six months ended 31 December 2010 has been prepared in accordance with IAS34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2010, which have been prepared in accordance with IFRS.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those adopted in the financial statements for the year ended 30 June 2010.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ESTIMATES

The preparations of interim financial statements requires management to make judgements, estimates and assumptions that reflect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2010, with the exception of changes in estimates that are required in determining the provision for income taxes.

5. INCOME TAXES

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average tax rate used for the year to 30 June 2010 is 38.3% (the estimated tax rate for the six months ended 31 December 2010 was 39.8%). This increase is mainly due to the STC on a higher final dividend declared for the 2010 financial year. There was no change to the statutory tax rate.

	Six months ended	
	December 2010 Unaudited R000's	December 2009 Unaudited R000's

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the total comprehensive income attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

Total comprehensive income	**123,179**	119,764
Headline earnings adjustments	**-**	-
Loss on disposal of property, plant and equipment	**-**	-
Fair value adjustment	**-**	-
Tax relief on the above items	**-**	-
Headline earnings	**123,179**	119,764
Number of shares for EPS and HEPS Calculation ('000s)		
Weighted average number of shares in issue	**14,564**	14,564
Earnings per share (Rands)		
Basic	**R8.46**	R8.22
Headline	**R8.46**	R8.22

7. SEGMENT INFORMATION

	Revenue		EBITDA		Operating Profit	
	Six months to		Six months to		Six months to	
	31 December	31 December	31 December	31 December	31 December	31 December
R million	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
GrandWest	**832**	787	**313**	303	**240**	233
Table Bay Hotel	**79**	81	**13**	15	**-**	4

8. CAPITAL EXPENDITURE AND COMMITMENTS

No capital expenditure has been authorised or contracted for as at 31 December 2010. No comparative information is available for presentation.

Future capital expenditure will be funded by internally generated cash flows and debt facilities.

9. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The company's activities expose it to a variety of financial risks. The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements as at 30 June 2010.

There have been no changes in the risk management policies since year end.

Liquidity risk
Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

The company had unutilised borrowing facilities of R million (2009: R million) at 31 December 2010. All undrawn borrowing facilities are renewable annually and none has a fixed interest rate.

In 2010 there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets and financial liabilities. There were no reclassifications of financial assets in 2010.

10. DIRECTORS EMOLUMENTS

Directors emoluments for services as directors during the current 6 months amounted to R243,811.

REPORT BY ADDITIONAL INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF SUNWEST

Strictly private & confidential

The Board of Directors
Grand Parade Investments Limited
PO Box 7764
Roggebaai
8012

5 August 2011

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED ("THE COMPANY")

Introduction

Grand Parade Investments Limited ("GPI") is issuing a circular to its shareholders ("the Circular") regarding inter alia the proposed disposal of part of its interest in SunWest International (Proprietary) Limited ('the Proposed Transaction").

At your request and for the purpose of the Circular to be dated on or about 8 August 2011, we have audited the historical financial information of SunWest International (Proprietary) Limited presented in the Report of Historical Financial Information which comprises the balance sheets of SunWest International (Proprietary) Limited as at 30 June 2010, 30 June 2009, 30 June 2008, and the statements of comprehensive income, statements of changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory notes ("the Financial Information"), as presented in Annexure 3 to the Circular, in compliance with the JSE Limited ("JSE") Listings Requirements.

Responsibility

Directors' Responsibility

The directors of GPI are responsible for the preparation, contents and presentation of the Circular including the Financial Information. The directors of SunWest International (Proprietary) Limited are responsible for the fair presentation of the Financial Information in accordance with International Financial Reporting Standards and in the manner required by the JSE Listings Requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Financial Information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Information.

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

Basis for Qualified Opinion

Section 8 of the JSE Listings Requirements mandates that reports of historical financial information comply with International Financial Reporting Standards and, in addition, disclose certain other minimum information, including details of material borrowings. However, the directors of SunWest International (Proprietary) Ltd are of the opinion that the disclosure of certain information required in terms of International Financial Reporting Standards and the JSE Listings Requirements would be prejudicial to the company. The JSE has granted a formal dispensation allowing the information listed below to be omitted from Annexure 3. The historical financial information set out in annexure 3 does not comply with the following disclosure requirements of International Financial Reporting Standards and the JSE Listings Requirements:

- Disclosures about borrowings, disaggregated by nature or counterparties, and related terms and conditions
- Separate presentation of employee costs (included under other costs)
- Separate presentation of management fees, marketing costs and consumable costs (included under other costs)
- Disclosures about dividends, disaggregated information per declaration
- Disclosures about shareholdings of key management
- Related party disclosure on management fees

Qualified Opinion

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion paragraph, the historical financial information of SunWest International (Proprietary) Limited as set out in annexure 3 to the Circular, presents fairly, in all material respects, for the purposes of the Circular, the financial position of SunWest International (Proprietary) Limited as at 30 June 2010, 30 June 2009 and 30 June 2008, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards and in the manner required by the JSE Listings Requirements.

PricewaterhouseCoopers Inc
Director: A Stemmet
"Accredited Auditor"
No 1 Waterhouse Place
Century City 7441
Cape Town

REPORT BY ADDITIONAL INDEPENDENT REPORTING ACCOUNTANTS ON THE INTERIM FINANCIAL INFORMATION OF SUNWEST

Strictly private & confidential
The Board of Directors
Grand Parade Investments Limited
PO Box 7764
Roggebaai
8012

5 August 2011

Dear Sirs

REVIEW REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS' ON THE INTERIM FINANCIAL INFORMATION OF SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED ("THE COMPANY") FOR THE SIX MONTHS ENDED 31 DECEMBER 2010.

Introduction

Grand Parade Investments Limited ("GPI") is issuing a circular to its shareholders ("the Circular") regarding inter alia the proposed disposal of part of its interest in SunWest International (Proprietary) Limited ('the Proposed Transaction").

At your request and for the purpose of the Circular to be dated on or about 8 August 2011, we have reviewed the condensed balance sheet of SunWest International (Proprietary) Limited as of 31 December 2010 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended ("the Condensed Interim Financial Information"), presented in Annexure 3 of the Circular, in accordance with International Accounting Standard 34, 'Interim financial reporting' and in the manner required by the JSE Limited ("JSE") Listings Requirements.

Directors' Responsibility

The directors of GPI are responsible for the preparation, contents and presentation of the Circular including the Condensed Interim Financial Information. The directors of SunWest International (Proprietary) Limited are responsible for the preparation and presentation of the Condensed Interim Financial Information presented in Annexure 3 of the Circular in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reporting Accountants' Responsibility

Our responsibility is to express a conclusion on the Condensed Interim Financial Information presented in Annexure 3 to the Circular based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

Section 8 of the JSE Listings Requirements mandates that reports of historical financial information comply with International Accounting Standard 34, 'Interim financial reporting' and, in addition, disclose certain other minimum information, including details of material borrowings. However, the directors of SunWest International (Proprietary) Ltd are of the opinion that the disclosure of certain information required in terms of International Accounting Standard 34, 'Interim financial reporting' and the JSE Listings Requirements would be prejudicial to the company. The JSE has granted a formal dispensation allowing the information listed below to be omitted from Annexure 3. The Condensed Interim Financial Information set out in annexure 3 does not comply with the following disclosure requirements of International Accounting Standard 34, 'Interim financial reporting' and the JSE Listings Requirements:

- Disclosures about borrowings, disaggregated by nature or counterparties, and related terms and conditions
- Separate presentation of employee costs (included under other costs)
- Separate presentation of management fees, marketing costs and consumable costs (included under other costs)
- Disclosures about dividends, disaggregated information per declaration
- Disclosures about shareholdings of key management
- Related party disclosure on management fees

Conclusion

Based on our review, except for the omission of the information described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the Condensed Interim Financial Information, for the six months ended 31 December 2010, is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and in the manner required by the JSE Listings Requirements.

PricewaterhouseCoopers Inc
Director: A Stemmet
"Accredited Auditor"
No 1 Waterhouse Place
Century City 7441
Cape Town

HISTORICAL FINANCIAL INFORMATION OF WORCESTER

GPI Directors' responsibility statement

As set out in the report by the additional independent reporting accountants at Annexure 6A of the circular, the JSE has granted a formal dispensation allowing the information listed in Annexure 6A under the paragraph heading "*Basis for qualified opinion*", to be omitted from this Annexure 5A. Save as set out in Annexure 6A, the directors of GPI collectively and individually accept full responsibility for the accuracy of the information given in this Annexure 5A and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, all reasonable enquiries to ascertain such facts have been made and the circular contains all information required by law and the JSE Listings Requirements.

Prospects of Worcester

GPI has been advised that trading conditions are expected to remain the same for the second half of 2011. GPI has been advised that focus on costs will remain a priority and that Worcester is well-placed to benefit from any improvement in economic conditions.

WORCESTER CASINO (PTY) LTD

FINAL COMMENTARY
for the year ended 30 June 2010

Earnings

Total revenue for the year ended 30 June 2010 was 3.3% ahead of last year at R112.3 million. Gaming revenue was 2.6% above last year, at R106.6 million, whereas rooms revenue was 18% ahead of last year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of R23 million for the year was 21% lower than last year with the EBITDA margin declining from 26.9% to 20.4%. The lower margin is due to certain cost increases being ahead of inflation (particularly property costs such as rates, taxes and utilities).

Net interest paid decreased by 30% to R18.4 million as a result of lower interest rates and share capital received, which reduced the interest bearing debt.

Tax decreased primarily as a result of temporary differences. The entity still has an assessed loss.

Headline loss of R8.1million is an improvement of 31% over the previous period.

REPORT OF THE DIRECTORS
for the year ended 30 June 2010

The directors present their annual report, which forms part of the audited annual financial statements of the company for the year ended 30 June 2010.

PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the company during the year under review was the operation of a casino, hotel and entertainment facilities.

RESULTS

Loss before tax for the year under review totalled R10.547 million (2009: R14.053 million; 2008: R10.915 million) whilst loss attributable to ordinary shareholders amounted to R9.262 million (2009: R12.200 million ; 2008: R8.598 million) or R0.89 loss per share (2009: R1.18 loss per share ; 2008: R0.83 loss per share). Headline loss per share is R0.79 (2009: R1.14 loss per share ; 2008: R0.74 loss per share).

The company's total liabilities exceeded its assets by R38.009 million (2009: R28.747 million ; 2008: R17 million).

The directors are of the opinion that the going concern basis is the appropriate basis to prepare the financial statements. The securities listed below also support the going concern basis.

The holding company Sun International (South Africa) Ltd entered into a subordination agreement whereby its claims of R37.452 million is subordinated in favour and for the benefit of other creditors as long as the liabilities of Worcester Casino (Pty) Ltd exceed its assets. The banking term loan and overdraft facility is also guaranteed by the company's ultimate holding company, Sun International Limited.

AUTHORISED AND ISSUED SHARE CAPITAL

Details of the authorised and issued share capital are set out in note 11 in the annual financial statements.

DIRECTORS

The directors of the company holding office during the year and at the date of this report were as follows:

Alexander Abercrombie	
Hassen Adams	
Adrian Funkey	Appointed: 7 May 2010
David Charles Coutts-Trotter	
Garth Collins	
Rob Becker	Appointed: 7 May 2010

No director had a material interest in any contract with the company during the year under review.

POST BALANCE SHEET EVENTS

The shareholders of Worcester Casino (Pty) Ltd paid the share capital contribution of R34.999 million on the 16th July 2010 in accordance with the signed Shareholder agreement as detailed below:

Afrisun Leisure Investments (Pty) Ltd	R 3.621 million
Sun International (South Africa) Limited	R14.482 million
Grand Parade Investments Limited	R13.758 million
Stripe Investments 7 (Pty) Ltd	R 2.897 million
Sun International Employee Share Trust	R 0.241 million

Details of the change in issued share capital are set out in note 21 in the annual financial statements.

SECRETARY

Sun International Corporate Services (Pty) Ltd

SA Bailes resigned as company secretary on 31st March 2010.

REGISTERED OFFICE

27 Fredman drive
Sandown
Sandton
2031
Republic of South Africa

POSTAL ADDRESS

P O Box 784487
Sandton
2146
Republic of South Africa

HOLDING COMPANY

The company's holding company is Sun International (South Africa) Limited, and its ultimate holding company is Sun International Limited.

AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with Section 270(2) of the Companies Act.

ACCOUNTING POLICIES
for the year ended 30 June 2010

The principal accounting policies adopted in preparation of these financial statements are set out below:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. The policies used in preparing the financial statements are consistent with those of the previous year except as indicated in the paragraph on 'Accounting policy developments'.

Preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. More detail on these estimates and assumptions are included under the policy dealing with 'Critical accounting estimates and judgements'. Actual results may differ from those estimates.

INTANGIBLE ASSETS

Bid costs on gaming licence bids are capitalised, when it is highly probable that the bid will be successful, and subsequently amortised using the straight-line method over their useful lives, but not exceeding 20 years. Intangible assets are not revalued.

PROPERTY, PLANT AND EQUIPMENT

Freehold land is included at cost and not depreciated.

All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less the residual values over their useful life, using the straight-line method. The principal useful lives over which the assets are depreciated are as follows:

Freehold and leasehold buildings	14 to 50 years
Infrastructure	10 to 50 years
Plant and machinery	10 to 25 years
Equipment	4 to 14 years
Furniture and fittings	5 to 10 years
Vehicles	4 to 10 years

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at each balance sheet date.

Operating equipment (which includes uniforms, casino chips, kitchen utensils, crockery, cutlery and linen) is recognised as an expense based on usage. The period of usage depends on the nature of the operating equipment and varies between one to three years.

PROPERTY, PLANT AND EQUIPMENT (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the owned assets or, where shorter, the term of the relevant lease.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Costs arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is then derecognised. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the company and which have probable economic benefits exceeding the costs beyond one year are included in equipment. Direct costs include staff costs of the software development team and an appropriate portion of the relevant overheads. Expenditure which enhances or extends the performance of these assets beyond their original specifications is recognised as a capital improvement and added to the original cost of the asset.

Borrowing costs and certain direct costs relating to major capital projects are capitalised during the period of development or construction.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

PRE-OPENING EXPENDITURE

Pre-opening expenditure is charged directly against income and separately disclosed. These costs include all marketing, operating and training expenses incurred prior to the opening of a new hotel or casino development.

INVENTORY

Inventory comprises of merchandise and consumables and is valued at the lower of cost and net realisable value on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less any costs necessary to make the sale.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at fair value. Cash and cash equivalents comprise cash on hand and deposits held on call with banks. In the balance sheet and cash flow statement bank overdrafts are included in borrowings.

FINANCIAL INSTRUMENTS

Financial instruments carried at balance sheet date include loans and receivables, accounts receivable, cash and cash equivalents, borrowings and accounts payable and accruals.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

Financial assets
The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The financial assets carried at balance sheet date are classified as 'Loans and receivables' and 'Available-for-sale investments'.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. The company's loans and receivables comprise 'Loans and receivables', 'Accounts receivable' (excluding VAT and prepayments) and 'Cash and cash equivalents'.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities
The company's financial liabilities at balance sheet date include 'Borrowings' and 'Accounts payable and accruals' (excluding VAT and employee related payables). These financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are included in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

DEFERRED TAX

Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

LEASES

Leases of assets where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at commencement and are measured at the lower of the fair value of the leased asset and the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in borrowings. The interest element of the lease payment is charged to the statement of comprehensive income over the lease period. The assets acquired under finance leasing contracts are depreciated over the shorter of the useful life of the asset, or the lease period. Where a lease has an option to be renewed, the renewal period is considered when the period over which the asset will be depreciated is determined.

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

BORROWINGS

Borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

Preference shares, which are redeemable on a specific date or at the option of the shareholder or which carry non-discretionary dividend obligations, are classified as borrowings. The dividends on these preference shares are recognised in the statement of comprehensive income as interest expense. STC is accrued on recognition of the expense.

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

EMPLOYEE BENEFITS

Defined benefit scheme

The company's holding company operates one defined benefit plan and a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The plans are generally funded by payments from employees and by the relevant group companies, taking account of the recommendations of independent qualified actuaries.

For the defined benefit plan, pension costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plan every three years. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the term of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of employees.

Defined contribution scheme

The company's contributions to defined contribution plans are charged to the statement of comprehensive income in the period to which the contributions relate. The defined contribution plans are provident funds under which the company pays fixed contributions.

Post-retirement medical aid contributions

The company contributes towards the post retirement medical aid contributions of eligible employees. The method of accounting and frequency of valuations are similar to that used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

PROVISIONS

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Provisions are made for progressive jackpots greater than R100 000. The provision is calculated based on the readings of the progressive jackpot machines. The full provision is expected to be utilised within the next financial year.

SHARE CAPITAL

Ordinary shares are classified as equity.

External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds, net of income taxes, in equity.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the company's activities. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue, and associated costs incurred or to be incurred can be measured reliably.

Revenue includes net gaming win, hotel, entertainment and restaurant revenues, other fees, rental income and the invoiced value of goods and services sold less returns and allowances. Value Added Tax (VAT) and other taxes levied on casino winnings are included in revenue and treated as overhead expenses as these are borne by the company and not by its customers. VAT on all other revenue transactions is considered to be a tax collected as an agent on behalf of the revenue authorities and is excluded from revenue.

Customer loyalty points are provided against revenue when points are earned.

CRITICAL ACCOUNTING ESTMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical accounting estimates and assumptions
The company makes estimates and assumptions concerning the future. Actual results may differ from these estimates.

Asset useful lives and residual values
Property, plant and equipment are depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re–assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

CRITICAL ACCOUNTING ESTMATES AND JUDGEMENTS (continued)

Impairment of assets
Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. If the information to project future cash flows is not available or could not be reliably established, management uses the best alternative information available to estimate a possible impairment.

ACCOUNTING POLICY DEVELOPMENTS

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards. These developments resulted in the first time adoption of new standards and revised and additional disclosures required.

Standards, amendments and interpretations effective in 2010

IFRS 2 Amended Share based Payments Vesting Conditions and Cancellations
IFRS 2 was amended to provide more clarity on vesting conditions and cancellations.

The amendment deals with two matters. It clarifies that vesting conditions are service and performance conditions only. Other features of a share based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or other parties, should receive the same accounting treatment.

The amendment had no impact on the company.

IFRS 3 (Revised) Business Combinations
The objective of the revised IFRS 3 is to enhance the relevance, reliability and comparability of the information that an entity provides in its financial statements about a business combination and its effects. It does that by establishing principles and requirements for how an acquirer:
(a) Recognises and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire;
(b) Recognises and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and

ACCOUNTING POLICY DEVELOPMENTS (continued)

IFRS 3 (Revised) Business Combinations (continued)

(c) Determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

The amendments are not applicable to the company.

IFRS 7 Financial Instruments: Disclosures

The amendments require enhanced disclosures about fair value measurements and liquidity risk.

The amendments have been adopted by the company.

IFRS 8 Operating Segments

IFRS 8 sets out the requirements for disclosure of information about an entity's operating segments also about the entity's products and services, the geographical areas in which it operates, and its major customers.

The standard is not applicable to the company.

IAS 1 (Revised) Presentation of Financial Statements

The main objective of IAS 1 was to aggregate information in the financial statements on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners separately from non-owners changes.

The amendments have been adopted by the company.

IAS 23 (Revised) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and may no longer be expensed. Other borrowing costs are recognised as an expense.

The company has previously capitalised borrowing costs and therefore the changes have no impact.

IAS 27 (Revised) Consolidated and Separate Financial Statements

The IAS 27 amendments related, primarily, to accounting for non-controlling interests and the loss of control of a subsidiary.

The amendments are not applicable to the company.

ACCOUNTING POLICY DEVELOPMENTS (continued)

Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of financial statements - Puttable Financial Instruments and Obligations Arising on Liquidation
The amendment requires entities to classify financial instruments as equity if certain requirements are met.

As the company does not have any puttable instruments and obligations, the amendments are not currently applicable to the company.

IAS 39 Financial Instruments: Recognition and Measurement
The reclassification amendment allows entities to reclassify particular financial instruments out of the 'at fair value through profit or loss' category in specific circumstances.

The amendment had no impact on the company.

IFRIC 15 Agreements for the Construction of Real Estate
The interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 *Construction Contracts* or IAS 18 *Revenue* and when revenue from the construction should be recognised.

The interpretation is not applicable to the company.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. It does not apply to other types of hedge accounting.

The interpretation is not applicable to the company.

IFRIC 17 Distributions of Non-cash Assets to Owners
The interpretation addresses how an entity should measure distributions of assets other than cash when it pays dividends to its owners.

The interpretation is currently not applicable to the company.

IFRIC 18 Transfers of Assets from Customers
It clarifies the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

The interpretation is currently not applicable to the company.

ACCOUNTING POLICY DEVELOPMENTS (continued)

Standards, amendments and interpretations not yet effective

The company has evaluated the effect of all new standards, amendments and interpretations that have been issued but which are not yet effective. Based on the evaluation, management does not expect these standards, amendments and interpretations to have a significant impact on the company's results and disclosures. The expected implications of applicable standards, amendments and interpretations are dealt with below.

IFRS 2 Amended - Group cash-settled share based payment transactions
The amendment clarifies the accounting for group cash-settled share based payment transactions.

As the company has not entered into any share based payment transactions, the amendment is currently not applicable to the company.

IAS 32 Amendments – Classification of rights issues
The amendments clarify the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer.

As the company does not denominate right issues in other currencies, the amendments are currently not applicable to the company.

IAS 24 Amendment - Related party disclosures
This amendment provides partial relief from the requirement for government related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party.

The amendment will currently have no impact on the company.

IFRS 9 – Financial Instruments
The standard addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

The standard will currently have no impact on the company.

IFRIC 19 (AC 452) Extinguishing Financial Liabilities with Equity Instruments
This interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor.

The interpretation is currently not applicable to the company.

ACCOUNTING POLICY DEVELOPMENTS (continued)

IFRIC 14 (AC 447) Amendment - Prepayments of a Minimum Funding Requirement
This amendment removes an unintended consequence of IFRIC 14 (AC 447) related to voluntary pension prepayments when there is a minimum funding requirement.

The amendment is currently not applicable to the company.

Annual Improvements
Improvements to IFRSs were issued in April 2009 and May 2010 as part of the annual improvement process resulting in amendments to the following standards. Unless otherwise specified, the amendments are effective for annual periods beginning on or after 1 January 2010, although entities are permitted to adopt them earlier.

The following standards have been affected by the project
- IFRS 2 Share based Payments
- IFRS 3 Business Combinations (effective 1 January 2011)
- IFRS 5 Non Current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures (effective 1 January 2011)
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 18 Revenue
- IAS 27 Consolidated and Separate Financial Statements (effective 1 January 2011)
- IAS 34 Interim Financial Reporting (effective 1 January 2011)
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 13 Customer Loyalty Programmes (effective 1 January 2011)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

Management is currently considering whether any of these changes have an effect.

WORCESTER CASINO (PTY) LTD

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2010

	Notes	**2010 R000's**	2009 R000's	2008 R000's
Revenue				
Casino		**106,644**	103,931	85,257
Rooms		**5,215**	4,411	1,119
Food, beverage and other		**487**	395	370
		112,346	108,737	86,746
Less: Promotional allowances		**(4,060)**	(2,971)	(607)
		108,286	105,766	86,139
Levies and VAT on casino revenue		**(18,707)**	(18,314)	(15,058)
Depreciation and amortisation		**(15,162)**	(16,839)	(12,663)
Property and equipment rental		**(2,603)**	(2,369)	(1,980)
Property costs		**(2,469)**	(1,917)	(904)
Other operational costs		**(61,506)**	(53,904)	(46,058)
Operating profit	1	**7,839**	12,423	9,476
Interest income	2	**556**	344	191
Interest expense	3	**(18,942)**	(26,820)	(20,582)
Loss before tax		**(10,547)**	(14,053)	(10,915)
Tax	4	**1,285**	1,853	2,317
Total comprehensive loss		**(9,262)**	(12,200)	(8,598)
Loss per share (Rand)				
Basic	5	**(R0.89)**	(R1.18)	(R0.83)
Headline	5	**(R0.79)**	(R1.14)	(R0.74)

WORCESTER CASINO (PTY) LTD

BALANCE SHEETS
as at 30 June 2010

	Notes	**2010 R000's**	2009 R000's	2008 R000's
ASSETS				
Non current assets				
Property, plant and equipment	6	**170,528**	179,332	185,044
Intangible assets	7	**24,645**	16,142	20,108
Loans and receivables	8	**624**	2,367	2,312
Deferred tax	12	**8,018**	6,733	4,880
		203,815	204,574	212,344
Current assets				
Inventory	9	**17**	29	106
Accounts receivable	10	**4,139**	5,431	13,447
Cash and cash equivalents	16.6	**2,725**	1,534	2,902
Tax		**15**	15	15
		6,896	7,009	16,470
Total assets		**210,711**	211,583	228,814
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium	11	**1**	1	1
Accumulated loss		**(38,010)**	(28,748)	(16,548)
Total equity		**(38,009)**	(28,747)	(16,547)
Non current liabilities				
Borrowings		**76,667**	95,833	115,307
Other non current liabilities	13	**3,419**	14,261	13,936
		80,086	110,094	129,243
Current liabilities				
Accounts payable and accruals	14	**34,113**	15,893	21,730
Provisions	15	**82**	25	33
Borrowings		**134,439**	114,318	94,355
		168,634	130,236	116,118
Total liabilities		**248,720**	240,330	245,361
Total equity and liabilities		**210,711**	211,583	228,814
Net asset value per share (cents)		**(367)**	(277)	(160)
Net tangible asset per share (cents)		**(605)**	(433)	(354)
Number of shares in issue		**10,363**	10,363	10,363

WORCESTER CASINO (PTY) LTD

CASH FLOW STATEMENTS
for the year ended 30 June 2010

	Notes	**2010 R000's**	2009 R000's	2008 R000's
Cash flows from operating activities				
Cash generated from operations	16.1	**34,850**	32,717	37,061
Pre-opening expenses		**(555)**	(485)	(1,346)
Tax paid	16.2	**-**	-	(105)
Net cash inflow from operating activities		**34,295**	32,232	35,610
Cash flows from investing activities				
Purchase of property, plant and equipment (PPE)				
Expansion		**-**	-	(59,090)
Replacement		**(5,346)**	(7,770)	(3,656)
Purchase of intangible assets		**(11,331)**	-	-
Proceeds on disposal of PPE		**85**	211	163
Investment income	16.3	**556**	344	191
Loans made		**919**	(55)	(1,112)
Net cash outflow from investing activities		**(15,117)**	(7,270)	(63,504)
Cash flows from financing activities				
Increase/(decrease) in borrowings	16.4	**955**	489	49,839
Interest paid	16.5	**(18,942)**	(26,820)	(20,648)
Net cash outflow from financing activities		**(17,987)**	(26,331)	29,191
Net increase/(decrease) in cash and cash equivalents		**1,192**	(1,369)	1,297
Cash and cash equivalents at beginning of year		**1,533**	2,902	1,605
Cash and cash equivalents at end of year	16.6	**2,725**	1,533	2,902

WORCESTER CASINO (PTY) LTD

STATEMENTS OF CHANGES IN EQUITY
for the year ended 30 June 2010

	Share capital R000's	Retained earnings R000's	Total equity R000's
Balance at 1 July 2008	**1**	**(7,950)**	**(7,949)**
Total comprehensive loss for the year	**-**	(8,598)	(8,598)
Balance at 1 July 2008	**1**	**(16,548)**	**(16,547)**
Total comprehensive loss for the year	-	(12,200)	(12,200)
Balance at 30 June 2009	**1**	**(28,748)**	**(28,747)**
Total comprehensive loss for the year	-	(9,262)	(9,262)
Balance at 30 June 2010	**1**	**(38,010)**	**(38,009)**

WORCESTER CASINO (PTY) LTD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2010

		2010 R000's	2009 R000's	2008 R000's
1	**OPERATING PROFIT IS STATED AFTER (CHARGING)/CREDITING THE FOLLOWING:**			
	Depreciation and amortisation			
	Property, plant and equipment	**(12,334)**	(12,873)	(10,301)
	Intangible assets	**(2,828)**	(3,966)	(2,362)
		(15,162)	(16,839)	(12,663)
	Operating equipment usage	**(1,550)**	(413)	(1,391)
	Operating lease charges			
	Plant, vehicles and equipment	**(2,603)**	(2,369)	(1,980)
	Auditors' remuneration			
	Audit fees	**(517)**	(327)	(338)
	Fees for other services	**-**	(97)	(127)
	Expenses	**(94)**	-	-
	Pre-opening expenses	**-**	(485)	(1,346)
	Professional fees	**(1,105)**	(1,495)	(1,504)
	Profit/(loss) on disposal of property, plant and equipment	**(181)**	15	(89)
2	**INTEREST INCOME**			
	Interest received on tax refunds	**-**	246	-
	Interest earned on cash and cash equivalents	**482**	-	132
	Imputed interest on loans receivable	**74**	98	59
		556	344	191
3	**INTEREST EXPENSE**			
	Interest paid on lease liabilities	**(7)**	(64)	(150)
	Interest paid on borrowings	**(18,971)**	(26,756)	(23,539)
	Capitalised to property, plant and equipment	**36**	-	3.107
		(18,942)	(26,820)	(20,582)

WORCESTER CASINO (PTY) LTD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 30 June 2010

	2010 R000's	2009 R000's	2008 R000's
4 TAX			
Normal tax - South African			
Deferred tax - current year	**1,394**	1,853	2,405
- prior years	**(109)**	-	(88)
	1,285	1,853	2,317
	%	%	%
Reconciliation of rate of tax			
Standard rate – South African	**28.0**	28.0	28.0
Adjusted for:			
Exempt income and disallowable expenses	**(14.8)**	(13.0)	(8.0)
Prior year (over)/under provision	**(1.0)**	-	(0.7)
Effective tax rate	**12.2**	15.0	19.3

Further information on deferred tax is presented in note 12.

5 LOSS PER SHARE

Basic loss per share is calculated by dividing the total loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2010	2009	2008
Total loss	**(9,262)**	(12,200)	(8,598)
Headline earnings adjustments			
Loss/(profit) on disposal of property, plant and equipment	**181**	(15)	(89)
Pre-opening expenses	**555**	485	1,346
Fair value adjustment on loan origination	**824**	-	(352)
Tax relief on the above items	**(438)**	(132)	-
Headline earnings	**(8,140)**	(11,862)	(7,693)
Number of shares for EPS and HEPS Calculation ('000s)			
Weighted average number of shares in issue	**10,363**	10,363	10,363
Loss per share (Rands)			
Basic	**(R0.89)**	(R1.18)	(R0.83)
Headline	**(R0.79)**	(R1.14)	(R0.74)

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2010	COST					
	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Closing R000's
Freehold land	1,883	-	-	-	(840)	1,043
Freehold buildings	126,161	87	(5)	-	756	126,999
Infrastructure	6,801	-	-	-	3,236	10,037
Plant and machinery	11,880	-	-	-	-	11,880
Equipment	34,877	4,694	(2,487)	-	4,160	41,244
Furniture and fittings	18495	35	-	-	(4,002)	14,528
Vehicles	130	-	-	-	-	130
Operating equipment	2,099	2,099	-	(1,550)	(1)	2,647
Capital work in progress	5,450	-	-	-	(4,878)	572
	207,776	6,915	(2,492)	(1,550)	(1,569)	209,080

Worcester Casino (Pty) Ltd entered into an agreement in 2005 to settle the Worcester Golf Club debt to the Breed Valley Municipality. This was part of the agreement in respect of the land purchase. The value of the debt settled was R0.840 million which was treated as part of the Prebid CSI costs and the actual land purchase price was R1.000 million. The assets were reclassified in this financial year to reflect the true substance of the transaction.

2010	ACCUMULATED DEPRECIATION				
	Opening R000's	Depreciation on disposals R000's	Depreciation R000's	Reclassification R000's	Closing R000's

6 PROPERTY, PLANT AND EQUIPMENT (continued)

Freehold land	-	-	-	-	-
Freehold buildings	(4,146)	-	(2,289)	(59)	(6,494)
Infrastructure	(292)	-	(415)	(699)	(1406)
Plant and machinery	(1,569)	-	(790)	(46)	(2,405)
Equipment	(17,248)	2,227	(7,666)	332	(22,355)
Furniture and fittings	(5,105)	(1)	(2,062)	1,393	(5,775)
Vehicles	(84)	-	(33)	-	(117)
	(28,444)	2,226	(13,255)	921	(38,552)

2009	COST					
	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Closing R000's

6 PROPERTY, PLANT AND EQUIPMENT (continued)

Freehold land	1,883	-	-	-	-	1,883
Freehold buildings	130,338	971	-	-	(5,148)	126,161
Infrastructure	5,787	56	-	-	958	6,801
Plant and machinery	8,263	26	-	-	3,591	11,880
Equipment	34,373	756	(441)	-	189	34,877
Furniture and fittings	17,875	211	-	-	409	18,495
Vehicles	130	-	-	-	-	130
Operating equipment	2,211	300	-	(413)	1	2,099
Capital work in progress	-	5,450	-	-	-	5,450
	200,860	7,770	(441)	(413)	-	207,776

6 PROPERTY, PLANT AND EQUIPMENT (continued)

2009	ACCUMULATED DEPRECIATION				
	Opening R000's	Depreciation on disposals R000's	Depreciation R000's	Reclassification R000's	Closing R000's
Freehold land	-	-	-	-	-
Freehold buildings	(1,814)	-	(2,269)	(63)	(4,146)
Infrastructure	(168)	-	(136)	12	(292)
Plant and machinery	(874)	-	(771)	76	(1,569)
Equipment	(10,442)	245	(7,042)	(9)	(17,248)
Furniture and fittings	(2,466)	-	(2,623)	(16)	(5,105)
Vehicles	(52)	-	(32)	-	(84)
	(15,816)	245	(12,873)	-	(28,444)

2008	COST					
	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Closing R000's

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Opening R000's	Additions R000's	Disposals R000's	Operating equipment usage R000's	Re-classifications R000's	Closing R000's
Freehold land	1,883	-	-	-	-	1,883
Freehold buildings	71840	58,498	-	-	-	130,338
Infrastructure	5,787	-	-	-	-	5,787
Plant and machinery	8,235	28	-	-	-	8,263
Equipment	31,212	3,449	(288)	-	-	34,373
Furniture and fittings	10,174	7,701	-	-	-	17,875
Vehicles	130	-	-	-	-	130
Operating equipment	1,672	1,930	-	(1,391)	-	2,211
Capital work in progress	8,859	(8,859)	-	-	-	-
	139,792	62,747	(288)	(1,391)	-	200,860

2008	ACCUMULATED DEPRECIATION				
	Opening R000's	Depreciation on disposals R000's	Depreciation R000's	Reclassification R000's	Closing R000's

6 PROPERTY, PLANT AND EQUIPMENT (continued)

Freehold land	-	-	-	-	-
Freehold buildings	(483)	-	(1,331)	-	(1,814)
Infrastructure	(63)	-	(105)	-	(168)
Plant and machinery	(306)	-	(568)	-	(874)
Equipment	(3,864)	36	(6,614)	-	(10,442)
Furniture and fittings	(816)	-	(1,650)	-	(2,466)
Vehicles	(20)	-	(32)	-	(52)
	(5,552)	36	(10,300)	-	(15,816)

Borrowing costs of R3 107 077 were capitalised during the year and are included in 'Additions' above. A capitalisation rate approximating the borrowing costs of the loans used to finance the relevant projects was used.

		2010 R000's	2009 R000's	2008 R000's
7	**INTANGIBLE ASSETS**			
	Bid costs			
	Cost	**34,953**	23,622	23,622
	Accumulated amortisation	**(10,308)**	(7,480)	(3,514)
	Net book amount	**24,645**	16,142	20,108
	Movements on intangible asset			
	Balance at beginning of year	**16,142**	20,108	16,720
	Additions	**11,331**	-	5,750
	Amortised during the year	**(2,828)**	(3,966)	(2,362)
		24,645	16,142	20,108
8	**LOANS AND RECEIVABLES**			
	Loans			
	Sun International Employee Share Trust (SIEST)	**624**	960	892
	Service Provider	**-**	1,407	1,420
		624	2,367	2,312

During the year the repayment profile of the loan was re-determined which resulted in the fair value adjustment as disclosed above.

		2010	2009	2008
		R000's	R000's	R000's

8 LOANS AND RECEIVABLES (continued)

Loans are due over the following periods:

	2010	2009	2008
Less than 1 year	**-**	1,407	1,420
1 – 2 years	**624**	960	892
2 – 3 years	**-**	-	-
3 – 4 years	**-**	-	-
4 years and onwards	**-**	-	-
	624	2,367	2,312

The loan to the SIEST is fully performing. Credit risk arising from the loan is regarded as low as the loan will be repaid by the SIEST through dividend flows and proceeds on the disposal of the underlying investments held by the trust.

The fair value of loans and receivables approximates their carrying value.

9 INVENTORY

	2010	2009	2008
Merchandise	**17**	14	14
Consumables and hotel stocks	**-**	15	92
	17	29	106

10 ACCOUNTS RECEIVABLE

	2010	2009	2008
Financial instruments			
Trade receivables	**1,454**	1,517	820
Less: impairment	**-**	-	-
Net trade receivables	**1,454**	1,517	820
Trade receivables with related parties	**2**	104	725
Other receivables	**196**	1,448	353
	1,652	3,069	1,898
Non financial instruments			
Prepayments	**2,487**	2,362	2,272
VAT	**-**	-	9,277
	4,139	5,431	13,447

10 ACCOUNTS RECEIVABLE (continued)

The fair values of trade and other receivables approximate their carrying value.

Other receivables are expected to be fully recoverable. The trade receivables which are fully performing and past due but not impaired relate to customers that have a good track record with the company in terms of recoverability.

The aging of trade receivables at the reporting date was:

2010	**Gross R000's**	**Impairment R000's**
Fully performing	**1,269**	**-**
Past due by 1 to 30 days	**2**	**-**
Past due by 31 to 60 days	**3**	**-**
Past due by 61 to 90 days	**-**	**-**
Past due by more than 90 days	**180**	**-**
	1,454	**-**

2009	Gross R000's	Impairment R000's
Fully performing	1,111	-
Past due by 1 to 30 days	76	-
Past due by 31 to 60 days	102	-
Past due by 61 to 90 days	7	-
Past due by more than 90 days	221	-
	1,517	-

2008	Gross R000's	Impairment R000's
Fully performing	-	-
Past due by 1 to 30 days	593	-
Past due by 31 to 60 days	28	-
Past due by 61 to 90 days	20	-
Past due by more than 90 days	179	-
	820	-

		2010 R000's	2009 R000's	2008 R000's
11	**SHARE CAPITAL AND PREMIUM**			
	Authorised			
	40,000,000 (2009: 40,000,000) ordinary shares of R0.0001 each	**4**	4	4
	Issued			
	10,362,694 (2009: 10,36, 694) ordinary shares of R0.0001 each.	**1**	1	1

All issued shares are fully paid.

The unissued shares are under the control of the directors until the next annual general meeting.

	2010	2009	2008
Reconciliation of number of shares in issue			
Balance at beginning and end of year	**1**	1	1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 30 June 2010

		2010 R000's	2009 R000's	2008 R000's
12	**DEFERRED TAX**			
	Balance at beginning of year	**(6,733)**	(4,880)	(2,563)
	Income statement credit for year	**(1,394)**	(1,853)	(2,405)
	Prior year under provision	**109**	-	88
	Balance at end of year	**(8,018)**	(6,733)	(4,880)

Deferred tax arises from the following temporary differences:

	2010 R000's	2009 R000's	2008 R000's
Deferred tax liability			
Accelerated asset allowances			
Balance at beginning of year	**4,597**	3,401	1,622
Charged to income statement	**301**	1,196	1,779
	4,899	4,597	3,401
To be recovered after more than 12 months	**4,899**	4,597	3,401
To be recovered within 12 months	**-**	-	-
	4,899	4,597	3,401
Deferred tax assets			
Assessed Loss	**(12,045)**	(10,524)	(7,616)
Balance at beginning of year	**(10,524)**	(7,616)	(3,738)
Credited to income statement	**(1,521)**	(2,908)	(3,878)
Disallowed accruals and provisions	**(706)**	(806)	(665)
Balance at beginning of year	**(806)**	(665)	(448)
Charged/(credited) to income statement	**100**	(141)	(217)
Fair value adjustments	**(166)**	-	-
Balance at beginning of year	**-**	-	-
Credited to income statement	**(166)**	-	-
	(12,917)	(11,330)	(8,281)

		2010 R000's	2009 R000's	2008 R000's
12	**DEFERRED TAX (continued)**			
	To be recovered after more than 12 months	**(12,211)**	(10,524)	(7,616)
	To be recovered within 12 months	**(706)**	(806)	(665)
		(12,917)	(11,330)	(8,281)
	Net deferred tax asset	**(8,018)**	(6,733)	(4,880)

13	**OTHER NON CURRENT LIABILITIES**			
	Non financial instruments			
	Interchange provision	**22,614**	**14,135**	**13,676**
	Post-retirement medical aid liability	**172**	**126**	**260**
		22,786	**14,261**	**13,936**
	Interchange Current portion	**(19,367)**	**-**	**-**
		3,419	**14,261**	**13,936**

Sun International Limited operates a pension scheme and a provident fund. Currently the provident fund is available to all employees while the pension scheme was closed to new employees in 1995. Contributions are made by both the company and its employees. 99% (2009: 100% ; 2008: 97%) of employees were members of one of these schemes as at 30 June 2010.

The pension scheme is a defined contribution plan in the stand alone financial statements of Worcester Casino (Pty) Ltd but is treated as a defined benefit plan from a group perspective and therefore all the defined benefit disclosure is provided in the group financial statements.

Contributions to the pension scheme, which are charged against profits, are based upon actuarial advice following the periodic valuations of the fund.

The company and employees contributed R2.199 million to these schemes during the year (2009: R1.692 million ; 2008: R1.336 million).

13 OTHER NON CURRENT LIABILITIES (continued)

Post-retirement medical aid liability

The company contributes towards the post retirement medical aid contributions of eligible employees employed by the Sun International group as at 30 June 2003. Employees who joined the group after 1 July 2003 will not be entitled to any co-payment subsidy from the group upon retirement. Employees are eligible for such benefits on retirement based upon the number of completed years of service. The method of accounting and frequency of valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

	2010 R000's	2009 R000's	2008 R000's
Movement in unfunded obligation:			
Benefit obligation at beginning of year	**126**	260	164
Interest cost	**18**	-	-
Current service cost	**8**	(134)	96
Actuarial (gain)/loss	**23**	-	-
Benefits paid	**(3)**	-	-
Benefit obligation at end of year	**172**	126	260
The amounts recognised in the income statement are as follows:			
Current service cost	**8**	(134)	96
Interest cost	**18**	-	-
Actuarial (gain)/loss	**23**	-	-
Total	**49**	(134)	96
The principal actuarial assumptions used for accounting purposes were:			
Discount rate	**9.25%**	9.25%	10.75%
Price inflation allowed by company	**4.89%**	5.75%	7.50%

	2010 R000's	2009 R000's	2008 R000's

13 OTHER NON CURRENT LIABILITIES (continued)

Post-retirement medical aid liability (continued)

The average life expectancy in years of a qualifying employee retiring at age 60 on the balance sheet date is as follows:

	2010 R000's	2009 R000's	2008 R000's
Male	**19.4**	19.4	19.4
Female	**24.2**	24.2	24.2

The average life expectancy in years of a qualifying employee retiring at age 60, 20 years after the balance sheet date is as follows:

	2010 R000's	2009 R000's	2008 R000's
Male	**19.4**	19.4	19.4
Female	**24.2**	24.2	24.2

The effects of a 1% movement in the assumed medical cost trend rate were as follows:

Effect on the aggregate of the current service cost and interest cost:

	2010 R000's	2009 R000's	2008 R000's
Increase	**5**	4	6
Decrease	**4**	3	10

Effect on the defined benefit obligation:

	2010 R000's	2009 R000's	2008 R000's
Increase	**31**	29	40
Decrease	**25**	22	601

14 ACCOUNTS PAYABLE AND ACCRUALS

	2010 R000's	2009 R000's	2008 R000's
Financial instruments			
Trade payables	**4,424**	1,604	3,478
Amounts due to related parties	**3,284**	2,300	6,521
Accrued expenses	**3,638**	9,547	3,368
Interest payable	**293**	348	379
Capital creditors	**19,367**	371	1,992
Other payables	**517**	634	-
	31,523	14,804	15,738
Non financial instruments			
VAT	**208**	14	5,150
Employee related accruals	**2,382**	1,075	842
	34,113	15,893	21,730

The fair value of accounts payable and accruals approximate their carrying value.

		2010 R000's	2009 R000's	2008 R000's
15	**PROVISIONS**			
	Progressive jackpots			
	Balance at beginning of year	**25**	33	87
	Created during the year	**148**	803	561
	Utilised during the year	**(91)**	(811)	(615)
	Balance at end of year	**82**	25	33

		2010 R000's	2009 R000's	2008 R000's
16	**CASH FLOW INFORMATION**			
16.1	**Cash generated by operations**			
	Operating profit	**7,839**	12,423	9,476
	Non cash items and items dealt with separately:			
	Depreciation and amortisation	**15,162**	16,839	12,663
	Operating equipment usage	**1,550**	413	1,391
	(Profit)/loss on disposal of property, plant and equipment	**181**	(15)	89
	Pre-opening expenses	**555**	485	1,346
	Post-retirement medical aid liability	**46**	(134)	96
	Fair value adjustment on loan to SIEST	**824**	-	-
	Cash generated by operations before working capital changes	**26,157**	30,011	25,061
	Working capital changes			
	Inventory	**12**	77	(91)
	Accounts receivable	**1,292**	8,006	5,095
	Accounts payable, accruals and provisions	**7,389**	(5,377)	6,996
		8,693	2,706	12,000
		34,850	32,717	37,061
16.2	**Tax paid**			
	Liability at beginning of year	**(15)**	(15)	(56)
	Current tax provided (note 4)	**-**	-	(34)
	Liability at end of year	**(15)**	(15)	(15)
		-	-	(105)
16.3	**Investment income**			
	Interest income	**482**	246	132
	Imputed interest on fair valued loans	**74**	98	59
		556	344	191
16.4	**Increase/ (decrease) in borrowings**			
	(Decrease)/Increase in overdrafts	**(887)**	5,710	50,765
	Increase/(Decrease) of borrowings	**1,842**	(5,221)	(926)
		955	489	49,839

		2010 R000's	2009 R000's	2008 R000's
16	**CASH FLOW INFORMATION (continued)**			
16.5	**Interest paid**			
	Interest expense	**18,942**	26,820	20,648
		18,942	26,820	20,648
16.6	**Cash and cash equivalents consist of:**			
	Cash at bank	**2,722**	1,527	2,899
	Cash floats	**3**	6	3
		2,725	1,533	2,902
17	**CAPITAL EXPENDITURE AND RENTAL COMMITMENTS**			
	Capital commitments			
	Contracted	**18,645**	-	-
	Authorised by the directors but not contracted	**31,821**	35,781	9,509
		50,466	35,781	9,509
	To be spent in the forthcoming financial year	**35,090**	10,499	4,509
	To be spent thereafter	**15,376**	25,282	5,000
		50,466	35,781	9,509

Future capital expenditure will be funded by internally generated cash flows and debt facilities.

Rental commitments

The future aggregate minimum lease payments under non-cancellable operating leases for slot machines are as follows:

	2010 R000's	2009 R000's	2008 R000's
Not later than 1 year	**1,192**	2,603	4,014
Later than 1 year but not later than 5 years	**214**	1,192	2,170
Later than 5 years	**-**	214	428
	1,406	4,009	6,612

18 RELATED PARTY

Key management has been defined as Worcester Casino (Pty) Ltd board of directors and Sun International Management Limited. The definition of a related party includes the close members of family of key management personnel and any entity over which key management exercise control. Close members of family are those members who may be expected to influence, or be influenced by that individual in their dealings with the company. They may include the individual's domestic partner and children, the children of the individual's domestic partner and dependants of the individual or the individual's domestic partner. Transactions with related parties are at arms length prices.

	2010 R000's	2009 R000's	2008 R000's
(i) Transactions with related parties			
Included in trade and other receivables			
Breede River Valley Community Trust	**-**	19	19
Sun International (South Africa) Ltd			
- SIL strategic conference	**-**	-	725
- Payroll Conference	**-**	98	-
- Other	**(8)**	-	-
Sunwest International (Pty) Ltd			
- Accommodation	**10**	4	-
Emfuleni Resorts (Pty) Ltd			
- Accommodation	**-**	2	-
Included in trade and other payables			
Loan account – H Adams	**-**	58	58
Winelands Casino Manco	**-**	872	112
Sun International (South Africa) Ltd	**-**	307	1,230
- Hollywood Slots finance lease installments	**37,452**	16,079	10,427
- Loan Account			
- Interest on loan	**2,373**	1,913	427
Sun International Management Limited	**1,463**	401	-
Income statement line items affected by transactions with related parties included			
Other expenses			
Sun International Management Ltd			
- Guarantee fees paid	**1,121**	1,109	1,233
- Secretarial fees paid	**284**	315	233
- Managerial and technical fees paid	**-**	-	17
	1,406	1,424	1,473

	2010 R000's	2009 R000's	2008 R000's
RELATED PARTY (continued)			
(ii) Other commercial transactions with related parties			
Investments in concessionaires and service providers by key management			
H Adams			
Services for professional fees			
- 22% holding in ASCH Consulting Engineers (Pty) ltd	**2,468**	1,754	3,957
- 30% holding in Proman Project Management Services (Pty) Ltd for management fees	**-**	-	3,819
- 100% holding in Nadesons (Pty) Ltd for consulting fees	**-**	-	216

19 SEGMENT INFORMATION

Segment information is not presented as the company operates as one segment.

20 FINANCIAL RISK MANAGEMENT

Liquidity risk
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Repayment of borrowings are structured so as to match the expected cash flows from operations to which they relate.

The following are the maturity analysis of contractual undiscounted financial liabilities (including principal and interest payments) and financial assets presented in Rands:

20 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

R000's	On demand or not exceeding 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2010					
Financial assets					
Loans and receivables	-	-	624	-	-
Accounts receivables*	1,456	-	-	-	-
Bank and cash	2,725	-	-	-	-
Financial liabilities					
Term facilities	(9,583)	(9,583)	(19,167)	(57,500)	-
Bank overdraft	(77,820)	-	-	-	-
Trade payables	(8,518)	-	-	-	-
Amounts due to related parties	(37,452)	-	-	-	-
Accrued expenses	(3,638)	-	-	-	-
Interest payable	(3,892)	(3,422)	(5,696)	(7,252)	-
Capital creditors	(19,367)	-	-	-	-
Other payables	(517)				
	(156,606)	(13,005)	(24,239)	(64,752)	-

**Prepayments and VAT are excluded from accounts receivable*

20 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

R000's	On demand or less than 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2009					
Financial assets					
Loans and receivables	1,407	-	960	-	-
Accounts receivables*	1,621	-	-	-	-
Bank and cash	1,534	-	-	-	-
Financial liabilities					
Term facilities	(9,583)	(9,583)	(19,167)	(57,501)	(19,167)
Lease liabilities	(307)	-	-	-	-
Bank overdraft	(78,707)	-	-	-	-
Sun International Limited (South Africa) loan	(16,137)	-	-	-	-
Trade payables	(1,604)	-	-	-	-
Amounts due to related parties	(2,300)	-	-	-	-
Accrued expenses	(9,547)	-	-	-	-
Interest payable	(5,693)	(5,114)	(8,832)	(14,690)	(946)
Capital creditors	(371)	-	-	-	-
Other payables	(634)	-	-	-	-
	(120,321)	**(14,697)**	**(27,039)**	**(72,191)**	**(20,113)**

**Prepayments and VAT are excluded from accounts receivable*

20 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

R000's	On demand or not exceeding 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2008					
Financial assets					
Loans and receivables	-	-	2,312	-	-
Accounts receivables*	1,545	-	-	-	-
Bank and cash	2,902	-	-	-	-
Financial liabilities					
Term facilities	-	-	(19,167)	(38,334)	(57,499)
SISA loan	-	-	(10,427)	-	-
Bank overdraft	(83,005)	-	-	-	-
Lease liabilities	386	386	316	-	-
Trade payables	(3,478)	-	-	-	-
Amounts due to related parties	(6,521)	-	-	-	-
Accrued expenses	(3,368)	-	-	-	-
Interest payable	(7,499)	(7,492)	(13,674)	(19,837)	(11,175)
Capital creditors	(1,992)	-	-	-	-
Other payables	-	-	-	-	-
	(101,030)	(7,106)	(40,640)	(58,171)	(68,674)

**Prepayments and VAT are excluded from accounts receivable*

The company had unutilised borrowing facilities of R7.180 million (2009:R6.293 million ; 2008: R1,995) at 30 June. All undrawn borrowing facilities are renewable annually and none has a fixed interest rate.

Credit risk
Credit risk arises from loans and receivables, accounts receivable (excluding prepayments and VAT), and cash and cash equivalents. The granting of credit is controlled by application and account limits. Cash investments are only placed with high quality financial institutions.

20 FINANCIAL RISK MANAGEMENT (continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial assets determined to be exposed to credit risk.

The company has no significant concentrations of credit risk with respect to trade receivables due to a widely dispersed customer base. Credit risk with respect to loans and receivables is disclosed in note 10.

Market risk
Market risk includes foreign currency risk, interest rate risk and other price risk. The company's exposure to other price risk is limited as the company does not have any investments which are subject to changes in equity prices.

(a) Foreign currency risk

There are no items included in the balance sheet that are denominated in currencies other than the functional currency of the company.

(b) Cash flow interest rate risk
The company's cash flow interest rate risk arises from cash and cash equivalents and variable rate borrowings. The company is not exposed to fair value interest rate risk as the company does not have any fixed interest bearing financial instruments carried at fair value.

The company manages interest rate risk by entering into short and long term debt instruments with a combination of fixed and variable interest rates. The interest rate characteristics of new and refinanced debt instruments are restructured according to expected movements in interest rates.

Interest rate sensitivity
A 1% increase in interest rates at 30 June 2010 would decrease profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	2010 R000's	**2009 R000's**	**2008 R000's**
Increase of 1%	(1,332)	(1,311)	(2,059)
Decrease of 1%	1,332	1,311	2,059

A 1% decrease in interest rates at 30 June 2010 would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

20 FINANCIAL RISK MANAGEMENT (continued)

Capital risk management
The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the company may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or buy back existing shares.

The board of directors monitors the level of capital, which the company defines as total share capital and share premium.

There were no changes to the company's approach to capital management during the year.

The company is not subject to externally imposed capital requirements.

21 POST BALANCE SHEET EVENTS

The shareholders of Worcester Casino (Pty) Ltd paid the share capital contribution on the 16th July 2010 in accordance with the signed Shareholder agreement:

	No. of shares	R'000's
Afrisun Leisure Investments (Pty) Ltd	51,531	3,621
Sun International (South Africa) Limited	206,125	14,482
Grand Parade Investments Limited	195,819	13,758
Stripe Investments 7 (Pty) Ltd	41,225	2,897
Sun International Employee Share Trust	3,435	241
	498,135	**34,999**

After the contribution the share capital of Worcester Casino (Pty) Ltd is held as follows

	No. of shares	% of ordinary Share capital
Afrisun Leisure Investments (Pty) Ltd	1,051,531	9.68
Sun International (South Africa) Limited	4,206,125	38.73
Grand Parade Investments Limited	3,995,819	36.79
Stripe Investments 7 (Pty) Ltd	841,225	7.75
Breede River Valley Community Trust	400,000	3.68
Sun International Employee Share Trust	366,129	3.37
	10,860,829	**100.0**

22 DIRECTORS EMOLUMENTS

Directors emoluments for services as directors during the current year amounted to R472,000.

INTERM FINANCIAL INFORMATION OF WORCESTER FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

GPI Directors' responsibility statement

As set out in the report by the additional independent reporting accountants at Annexure 6B of the circular, the JSE has granted a formal dispensation allowing the information listed in Annexure 6B under the paragraph heading "*Basis for qualified conclusion*", to be omitted from this Annexure 5B. Save as set out in Annexure 6B, the directors of GPI collectively and individually accept full responsibility for the accuracy of the information given in this Annexure 5B and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, all reasonable enquiries to ascertain such facts have been made and the circular contains all information required by law and the JSE Listings Requirements.

WORCESTER CASINO (PROPRIETARY) LIMITED

INTERIM COMMENTARY

Earnings

Total revenue for the six months ended 31 December 2010 was 11.1% ahead of last year at R61.6 million. Gaming revenue was 11% above last year, at R58.4 million, whereas rooms revenue was 13.6% ahead of last year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of R13.2 million for the six months was 10% higher than last year with the EBITDA margin slightly declining from 21.6% to 21.44%. The lower margin is due to certain cost increases being ahead of inflation (particularly property costs such as rates, taxes and utilities).

Net interest paid decreased by 23.9% to R7.3 million as a result of lower interest rates and share capital received, which reduced interest bearing debt.

Tax decreased primarily as a result of temporary differences. The entity still has an assessed loss.

Headline loss of R3.3 million is an improvement of 19.7% over the previous period.

WORCESTER CASINO (PROPRIETARY) LIMITED

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Six months ended**	
		December 2010 Unaudited R000's	December 2009 Unaudited R000's
Revenue			
Casino		**58,453**	52,656
Rooms		**2,882**	2,537
Food, beverage and other		**263**	232
		61,599	55,424
Less: Promotional allowances		**(2,255)**	(1,806)
		59,344	53,618
Levies and VAT on casino revenue		**(10,422)**	(9,351)
Depreciation and amortisation		**(8,992)**	(7,718)
Property and equipment rental		**(1,002)**	(1,171)
Property costs		**(1,463)**	(1,887)
Other operational costs		**(33,248)**	(29,237)
Operating profit		**4,217**	4,254
Interest income		**45**	52
Interest expense		**(7,368)**	(9,686)
Profit before tax		**(3,105)**	(5,381)
Tax	5	**(112)**	782
Profit for the period		**(3,217)**	(4,599)
Other comprehensive income		**-**	-
Total comprehensive income		**(3,217)**	(4,599)
Earnings per share (Rand)	6		
Basic		**(R0.15)**	(R0.44)
Headline		**(R0.15)**	(R0.40)

WORCESTER CASINO (PROPRIETARY) LIMITED

INTERIM BALANCE SHEET

	Notes	31 December 2010 Unaudited R000's	30 June 2010 Audited R000's
ASSETS			
Non current assets			
Property, plant and equipment		**168,176**	170,528
Intangible assets		**22,533**	24,645
Loans and receivables	7	**734**	624
Deferred tax		**-**	8,018
		191,442	203,815
Current assets			
Inventory		**24**	17
Accounts receivable		**3,024**	4,139
Cash and cash equivalents		**5,066**	2,725
Tax		**-**	15
		8,114	6,896
Total assets		**199,556**	210,711
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	8	**70,000**	1
Retained loss		**(41,228)**	(38,010)
Total equity		**28,772**	(38 009)
Non current liabilities			
Borrowings		**80,061**	76,667
Other non current liabilities		**3 419**	3,419
Deferred tax		**(7,906)**	-
		75,574	80,086
Current liabilities			
Accounts payable and accruals		**26,082**	34,113
Provisions		**235**	82
Borrowings		**68,892**	134,439
		95,210	168,634
Total liabilities		**170,784**	248,720
Total equity and liabilities		**199,556**	210,711
Net assets per share (cents)		**135**	(367)
Net tangible assets per share (cents)		**29**	(605)
Number of shares in issue		**21,322**	10,363

WORCESTER CASINO (PROPRIETARY) LIMITED

INTERIM CASH FLOW STATEMENT
for the year ended

	December 2010 Unaudited R000's	December 2009 Unaudited R000's
Cash flows from operating activities		
Cash generated from operations	**7,075**	11,852
Tax paid	**-**	-
Net cash inflow from operating activities	**7,075**	11,852
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)		
Replacement	**(5,150)**	(976)
Proceeds on disposal of PPE	**-**	
Investment income	**46**	52
Loans made	**(143)**	(80)
Loans realised	**33**	28
Net cash outflow from investing activities	**(5,214)**	(976)
Cash flows from financing activities		
(Decrease)/Increase in borrowings	**(62,152)**	861
Interest paid	**(7,367)**	(9,686)
Dividends paid	**-**	-
Increase in share capital	**69,999**	-
Net cash outflow from financing activities	**480**	(8,825)
Net increase/(decrease) in cash and cash equivalents	**2,340**	2,051
Cash and cash equivalents at beginning of year	**2,725**	1,534
Cash and cash equivalents at end of year	**5,066**	3,585

INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital R000's	Share premium R000's	Share based payment reserve R000's	Fair value reserve R000's	Retained earnings R000's	Total equity R000's
Balance at 1 July 2009	**1**	**-**	**-**	**-**	**(28,748)**	**(28,747)**
Total comprehensive income for the year	-	-	-	-	(4,599)	(4,599)
Balance at 31 December 2009 unaudited	**1**	**-**	**-**	**-**	**(33,346)**	**(33,346)**
Shares issued	-	69,999	-	-	-	69,999
Total comprehensive income for the year	-	-	-	-	(7,882)	(7,882)
Balance at 31 December 2010 unaudited	**1**	**69,999**	**-**	**-**	**(41,228)**	**28,772**

1. GENERAL INFORMATION

The principal activity of the company during the year under review was the operation of a casino, hotels and entertainment facilities. This condensed interim financial information was approved for issue on 3 August 2011.

This condensed interim financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

The condensed financial information for the six months ended 31 December 2010 has been prepared in accordance with IAS34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2010, which have been prepared in accordance with IFRS.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those adopted in the financial statements for the year ended 30 June 2010.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ESTIMATES

The preparations of interim financial statements requires management to make judgements, estimates and assumptions that reflect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2010, with the exception of changes in estimates that are required in determining the provision for income taxes. Pre-opening expenses for Tables opening and minor fixed assets disposals were reported under exceptional items in December 2009.

	Six months ended	
	December 2010 Unaudited R000's	December 2009 Unaudited R000's

5. INCOME TAXES

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average tax rate used for the year to 30 June 2010 is 12% (the estimated tax rate for the six months ended 31 December 2010 was 4%). This decrease is mainly due to the utilisation of the current deferred tax asset on the assessed loss. There was no change to the statutory tax rate.

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the total comprehensive income attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	December 2010 Unaudited R000's	December 2009 Unaudited R000's
Total comprehensive loss	**(3,217)**	(4,599)
Headline earnings adjustments	**(131)**	427
Loss on disposal of property, plant and equipment	**(131)**	(2)
Preopening expenses	**-**	596
Fair value adjustment		-
Tax relief on the above items	**-**	(167)
Headline earnings	**(3,348)**	(4,172)
Number of shares for EPS and HEPS Calculation ('000s)		
Weighted average number of shares in issue	**21,322**	10,363
Earnings per share (Rands)		
Basic	**(R0.15)**	(R0.44)
Headline	**(R0.15)**	(R0.40)

	Six months ended	
	December 2010 Unaudited R000's	June 2010 Audited R000's

7. LOANS AND RECEIVABLES

Loans		
Sun International Employee Share Trust (SIEST)	**734**	624
	734	624

Loans are due over the following periods:		
Less than 1 year	**734**	-
1 – 2 years	**-**	624
2 – 3 years	**-**	-
3 – 4 years	**-**	-
4 years and onwards	**-**	-
	734	624

8. SHARE CAPITAL AND PREMIUM

The shareholders of Worcester Casino (Pty) Ltd paid the share capital contribution on the 16th of July 2010 in accordance with the signed Shareholder agreement:

	No. of shares	**R'000's**
Afrisun Leisure Investments (Pty) Ltd	51,531	3,621
Sun International (South Africa) Limited	206,125	14,482
Grand Parade Investments Limited	195,819	13,758
Stripe Investments 7 (Pty) Ltd	41,225	2,897
Sun International Employee Share Trust	3,435	241
	498,135	**34,999**

	Six months ended	
	December 2010	June 2010
	Unaudited	Audited
	R000's	R000's

8. SHARE CAPITAL AND PREMIUM (continued)

After the contribution the share capital of Worcester Casino (Pty) Ltd is held as follows

	No. of shares	**% of ordinary Share capital**
Afrisun Leisure Investments (Pty) Ltd	1,051 531	9.68
Sun International (South Africa) Limited	4,206 125	38.73
Grand Parade Investments Limited	3,995 819	36.79
Stripe Investments 7 (Pty) Ltd	841,225	7.75
Breede River Valley Community Trust	400,000	3.68
Sun International Employee Share Trust	366,129	3.37
	10,860,829	**100.0**

10. SEGMENT INFORMATION

Segment information will not be presented as the company operates as one segment.

11. CAPITAL EXPENDITURE AND COMMITMENTS

	December 2010	June 2010
Capital commitments		
Contracted (N1 Interchange)	**12,936**	-
Authorised by the directors but not contracted	**6,268**	9,523
	19,204	9,523
To be spent in the forthcoming financial year	**13,578**	11,418
To be spent thereafter	**13,045**	13,578
	26,623	24,996

Future capital expenditure will be funded by internally generated cash flows and debt facilities.

12. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The company's activities expose it to a variety of financial risks. The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements as at 30 June 2010.

There have been no changes in the risk management policies since year end.

Liquidity risk
Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

The company had unutilised borrowing facilities of R39,487million (2009: R7,180 million) at 31 December 2010. All undrawn borrowing facilities are renewable annually and none has a fixed interest rate.

In 2010 there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets and financial liabilities. There were no reclassifications of financial assets in 2010.

13. DIRECTORS EMOLUMENTS

Directors emoluments for services as directors during the current 6 months amounted to R243,811.

REPORT BY ADDITIONAL INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF WORCESTER

Strictly private & confidential

The Board of Directors
Grand Parade Investments Limited
PO Box 7764
Roggebaai
8012

5 August 2011

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF WORCESTER CASINO (PROPRIETARY) LIMITED ("THE COMPANY")

Introduction

Grand Parade Investments Limited ("GPI") is issuing a circular to its shareholders ("the Circular") regarding inter alia the proposed disposal of part of its interest in Worcester Casino (Proprietary) Limited ('the Proposed Transaction").

At your request and for the purpose of the Circular to be dated on or about 8 August 2011, we have audited the historical financial information of Worcester Casino (Proprietary) Limited presented in the Report of Historical Financial Information which comprises the balance sheets of Worcester Casino (Proprietary) Limited as at 30 June 2010, 30 June 2009, 30 June 2008, and the statements of comprehensive income, statements of changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory notes ("the Financial Information"), as presented in Annexure 5 to the Circular, in compliance with the JSE Limited ("JSE") Listings Requirements.

Responsibility

Directors' Responsibility

The directors of GPI are responsible for the preparation, contents and presentation of the Circular including the Financial Information. The directors of Worcester Casino (Proprietary) Limited are responsible for the fair presentation of the Financial Information in accordance with International Financial Reporting Standards and in the manner required by the JSE Listings Requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Financial Information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Information.

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

Basis for Qualified Opinion

Section 8 of the JSE Listings Requirements mandates that reports of historical financial information comply with International Financial Reporting Standards and, in addition, disclose certain other minimum information, including details of material loan receivables and borrowings. However, the directors of Worcester Casino (Proprietary) Ltd are of the opinion that the disclosure of certain information required in terms of International Financial Reporting Standards and the JSE Listings Requirements would be prejudicial to the company. The JSE has granted a formal dispensation allowing the information listed below to be omitted from Annexure 5. The historical financial information set out in annexure 5 does not comply with the following disclosure requirements of International Financial Reporting Standards and the JSE Listings Requirements:

- Disclosures about borrowings, disaggregated by nature or counterparties, and related terms and conditions
- Disclosures about loans and receivables and related terms and conditions
- Separate presentation of employee costs (included under other costs)
- Separate presentation of management fees, marketing costs and consumable costs (included under other costs)
- Disclosures about dividends, disaggregated information per declaration
- Disclosures about shareholdings of key management
- Related party disclosure on management fees

Qualified Opinion

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion paragraph, the historical financial information of Worcester Casino (Proprietary) Limited as set out in annexure 5 to the Circular, presents fairly, in all material respects, for the purposes of the Circular, the financial position of Worcester Casino (Proprietary) Limited as at 30 June 2010, 30 June 2009 and 30 June 2008, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards and in the manner required by the JSE Listings Requirements.

PricewaterhouseCoopers Inc
Director: A Stemmet
"Accredited Auditor"
No 1 Waterhouse Place
Century City 7441
Cape Town

REPORT BY ADDITIONAL INDEPENDENT REPORTING ACCOUNTANTS ON THE INTERIM FINANCIAL INFORMATION OF WORCESTER

Strictly private & confidential
The Board of Directors
Grand Parade Investments Limited
PO Box 7764
Roggebaai
8012

5 August 2011

Dear Sirs

REVIEW REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS' ON THE INTERIM FINANCIAL INFORMATION OF WORCESTER CASINO (PROPRIETARY) LIMITED ("THE COMPANY") FOR THE SIX MONTHS ENDED 31 DECEMBER 2010.

Introduction

Grand Parade Investments Limited ("GPI") is issuing a circular to its shareholders ("the Circular") regarding inter alia the proposed disposal of part of its interest in Worcester Casino (Proprietary) Limited ('the Proposed Transaction").

At your request and for the purpose of the Circular to be dated on or about 8 August 2011, we have reviewed the condensed balance sheet of Worcester Casino (Proprietary) Limited as of 31 December 2010 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended ("the Condensed Interim Financial Information"), presented in Annexure 3 of the Circular, in accordance with International Accounting Standard 34, 'Interim financial reporting' and in the manner required by the JSE Limited ("JSE") Listings Requirements.

Directors' Responsibility

The directors of GPI are responsible for the preparation, contents and presentation of the Circular including the Condensed Interim Financial Information. The directors of Worcester Casino (Proprietary) Limited are responsible for the preparation and presentation of the Condensed Interim Financial Information presented in Annexure 3 of the Circular in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reporting Accountants' Responsibility

Our responsibility is to express a conclusion on the Condensed Interim Financial Information presented in Annexure 3 to the Circular based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

Section 8 of the JSE Listings Requirements mandates that reports of historical financial information comply with International Accounting Standard 34, 'Interim financial reporting' and, in addition, disclose certain other minimum information, including details of material loan receivables and borrowings. However, the directors of Worcester Casino (Proprietary) Ltd are of the opinion that the disclosure of certain information required in terms of International Accounting Standard 34, 'Interim financial reporting' and the JSE Listings Requirements would be prejudicial to the company. The JSE has granted a formal dispensation allowing the information listed below to be omitted from Annexure 3. The Condensed Interim Financial Information set out in annexure 3 does not comply with the following disclosure requirements of International Accounting Standard 34, 'Interim financial reporting' and the JSE Listings Requirements:

- Disclosures about borrowings, disaggregated by nature or counterparties, and related terms and conditions
- Disclosures about loans and receivables and related terms and conditions
- Separate presentation of employee costs (included under other costs)
- Separate presentation of management fees, marketing costs and consumable costs (included under other costs)
- Disclosures about dividends, disaggregated information per declaration
- Disclosures about shareholdings of key management
- Related party disclosure on management fees

Conclusion

Based on our review, except for the omission of the information described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the Condensed Interim Financial Information, for the six months ended 31 December 2010, is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and in the manner required by the JSE Listings Requirements.

PricewaterhouseCoopers Inc
Director: A Stemmet
"Accredited Auditor"
No 1 Waterhouse Place
Century City 7441
Cape Town

EXTRACT - HISTORICAL FINANCIAL INFORMATION OF RAH

Directors' responsibility statement

With reference to the extract of the latest published interim financial results for RAH as set out below in this Annexure 7, the directors of GPI accept responsibility for the information in this annexure having been correctly extracted from the latest unaudited and unreviewed interim results for RAH for the six months ended 31 December 2010, as announced on SENS.

EXTRACT FROM THE RAH PROFIT AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2010, AS PUBLISHED ON SENS ON 3 MARCH 2011

Real Africa Holdings Limited
GROUP STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended 31 December		Year ended 30 June
	2010	2009	2010
R'000	**Unaudited**	Unaudited	Audited
Revenue	**33,324**	34,404	62,718
Net investment profit/(losses)	**6,359**	(1,049)	1,076
Share of profits of associates	**30,947**	19,025	44,418
Interest income	**648**	734	1,443
Operating income	**71,278**	53,114	109,655
Operating costs	**(1,909)**	(2,280)	(3,869)
Amortisation	**(8,157)**	(3,303)	(6,606)
Impairment of intangible asset	**-**	-	(12,659)
Impairment of available-for-sale investment	**-**	-	(7,368)
Interest expense	**-**	-	(21)
Profit before tax	**61,212**	47,531	79,132
Tax	**(169)**	(193)	1,403
Profit for the period	**61,043**	47,338	80,535
Other comprehensive income			
Changes in fair value of available-for-sale financial instruments, net of tax	**56,283**	(54,288)	77,693
Reclassification adjustment for impairment included in profit for the year	**-**	-	96
Total comprehensive income for the period	**117,326**	(6,950)	158,324
Profit for the period attributable to:			
Minority shareholder	**5,405**	4,439	3,267
Ordinary shareholders	**55,638**	42,899	77,268
	61,043	47,338	80,535
Total comprehensive income for the period attributable to:			
Minority shareholder	**10,812**	628	7,812
Ordinary shareholders	**106,514**	(7,578)	150,512
	117,326	(6,950)	158,324
Earnings per share (cents)	**15.4**	11.9	21.4
Headline earnings per share (cents)	**14.0**	11.9	24.5

GROUP STATEMENTS OF FINANCIAL POSITION

R'000	31 December **2010** **Unaudited**	31 December 2009 Unaudited	30 June 2010 Audited
ASSETS			
Non current assets			
Investment in associates	**87,617**	107,729	93,555
Available-for-sale investments	**848,314**	657,230	784,892
	935,931	764,959	878,447
Current assets			
Accounts receivable	**21**	23	556
Tax	**261**	2,673	196
Cash and cash equivalents	**30,121**	23,733	26,317
	30,403	26,429	27,069
Total assets	**966,334**	791,388	905,516
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	**893,977**	723,480	838,136
Minority interest	**60,764**	54,841	56,432
	954,741	778,321	894,568
Non current liabilities			
Tax	**-**	12,315	10,510
	-	12,315	10,510
Current liabilities			
Accounts payable and accruals	**1,083**	752	438
Tax	**10,510**	-	-
	11,593	752	438
Total liabilities	**11,593**	13,067	10,948
Total equity and liabilities	**966,334**	791,388	905,516

SUMMARISED GROUP STATEMENTS OF CASH FLOW

R'000	Six months ended 31 December **2010** **Unaudited**	Six months ended 31 December 2009 Unaudited	Year ended 30 June 2010 Audited
Cash flows from operating activities	**5,397**	(3,918)	(3,037)
Cash flows from investing activities	**55,560**	50,469	101,216
Cash flows from financing activities	**(57,153)**	(51,685)	(100,729)
Net cash flows	**3,804**	(5,134)	(2,550)

GROUP STATEMENTS OF CHANGES IN EQUITY

R'000	Ordinary shareholders' equity	Minority interest	Total
Unaudited			
For the 6 months ended 31 December 2010			
Balances at 30 June 2010	838,136	56,432	894,568
Profit for the year	55,638	5,405	61,043
Other comprehensive income	50,876	5,407	56,283
Dividends paid	(50,673)	(6,480)	(57,153)
Balances at 31 December 2010	**893,977**	**60,764**	**954,741**
Unaudited			
For the 6 months ended 31 December 2009			
Balances at 30 June 2009	780,487	56,465	836,952
Profit for the year	42,899	4,439	47,338
Other comprehensive income	(50,477)	(3,811)	(54,288)
Disposal of treasury shares	1,196	-	1,196
Dividends paid	(50,625)	(2,252)	(52,877)
Balances at 31 December 2009	723,480	54,841	778,321
Audited			
For the year ended 30 June 2010			
Balances at 30 June 2009	780,487	56,465	836,952
Profit for the year	77,268	3,267	80,535
Other comprehensive income	73,244	4,545	77,789
Disposal of treasury shares	1,196	-	1,196
Dividends paid	(94,059)	(7,845)	(101,904)
Balances at 30 June 2010	838,136	56,432	894,568

HEADLINE EARNINGS PER SHARE

R'000	Six months ended 31 December **2010** **Unaudited**	2009 Unaudited	Year ended 30 June 2010 Audited
Headline earnings per share (cents)	**14.0**	11.9	24.5
Weighted average number of shares (million)	**361,9**	361,7	361,8
Reconciliation of headline earnings (R'000)			
Earnings attributable to ordinary shareholders	**55,638**	42,899	77,268
Adjusted for:			
Realised investment profits	**-**	-	(2,172)
Impairment of casino licence	**-**	-	12,659
Profit on disposal of Zonwabise shares	**(6,500)**	-	-
Impairment of Worcester	**-**	-	7,368
Tax on above items	**-**	-	(1,788)
Minority interest in the above items	**1,508**		(4,646)
Headline earnings	**50,646**	42,899	88,689

NET ASSET VALUE

R'000	31 December **2010** **Unaudited**	2009 Unaudited	30 June 2010
Afrisun Leisure	**1,227,908**	1,009,875	1,161,081
Other net liabilities	**(5,128)**	(4,133)	(5,732)
Cash	**29,745**	15,453	24,721
Borrowings	**-**	-	-
Net asset value	**1,252,525**	1,021,195	1,180,070
Issued shares net of treasury shares (million)	**361,9**	361,9	361,9
Net asset value per share (cents)	**346**	282	326

Note

All the investments held by Afrisun Leisure have been valued using the Discounted Cash Flow (DCF) valuation method applying a discount rate of 11.46% (30 June 2010:12.11%) at 31 December 2010, to the directors' current estimated future cash flows. A minority discount of 15% has been applied to the valuation of the gaming company investments.

ACCOUNTING POLICIES

The condensed consolidated financial information for the six months ended 31 December 2010 has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of IAS 34 – Interim Financial Reporting and AC 500 standards issued by the Accounting Practices Board. The accounting policies applied are consistent with those adopted in the financial statements for the year ended 30 June 2010.

REVIEW OF RESULTS

Revenue of R33.3 million, comprising dividends received was R1 million lower than last year as a result of lower dividends received from Afrisun KZN offset in part by higher dividends from SunWest.

The net investment profit of R6.4 million (2009: R1 million loss) relates mainly to a R6.5 million profit realised on the sale of a 14.3% interest in Zonwabise pursuant to a buyback by Zonwabise resulting from the commitment made for Emfuleni's licence bid. The comparative period included an impairment of the investment made to the Biotech Venture Fund of R1 million (2010: R0.1 million).

The share of profits of associates includes the group's share of income from Afrisun Gauteng, Zonwabise and the management companies. The share of profits increased mainly due to the payment of a cancellation fee on the early termination of the Emfuleni Manco management contract which resulted in higher profits in National Manco and Zonwabise who each own 50% of Emfuleni Manco.

Headline earnings per share increased by 18% due to the increase in the share of profits from associates.

The board has declared an interim dividend of 13 cents (2009:12 cents) per share.

NON CURRENT ASSETS

The group contributed R7.1 million for its share of a R70 million capitalisation of Golden Valley.

Afrisun Leisure's interest in Zonwabise reduced to 26.7% following the sale of shares in Zonwabise back to Zonwabise.

The value of Afrisun Leisure has increased by 5.8% from R1 161 million at 30 June 2010 to R1 228 million due mainly to a lower discount rate used in the valuations from 12.11% at 30 June 2010 to 11.46%.

SUNWEST EXCLUSIVITY

GrandWest's initial 10-year casino exclusivity in the Cape Metropole expired during December 2010. The Provincial Government of the Western Cape is still considering whether to permit one of the other casino licence holders in the Western Cape to relocate to the Cape Metropole and has engaged interested stakeholders before taking a final decision.

Sufficient information to assess the potential impacts on GrandWest's revenue and profitability remains unavailable.

OUTLOOK

Whilst gaming revenues have stabilised at the group's major investments, no significant improvements are anticipated for the remainder of the year.

DIVIDEND

Notice is hereby given that an interim dividend of 13 cents per share for the year ended 31 December 2010 (2009: 12 cents) has been declared, payable to shareholders recorded in the register of the company at the close of business on the record date appearing below.

	2011
Last day to trade *cum* interim dividend	**Thursday, 17 March**
First day to trade *ex* interim dividend	**Friday, 18 March**
Record date	**Friday, 25 March**
Payment date	**Monday, 28 March**

OPINION OF INDEPENDENT PROFESSIONAL ADVISOR ON THE PROPOSED RESTRUCTURE

5 August 2011

The Directors
Grand Parade Investments Limited
15th Floor
Triangle House
22 Riebeek Street
Cape Town
8001

Dear Sirs,

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT IN RESPECT OF THE PROPOSED RESTRUCTURE OF CERTAIN GRAND PARADE INVESTMENTS LIMITED INVESTMENTS

1. Introduction

Grand Parade Investments Limited ("**GPI**") announced on SENS on 16 May 2011 that it had entered into binding heads of agreement with Sun International Limited ("**Sun International**") and certain other parties on 13 May 2011 regarding the rearrangement of Sun International's and GPI's common interests in certain of their shared investments ("**the Proposed Restructure**"). GPI and Sun International have subsequently concluded and signed formal transaction agreements ("**Transaction Agreements**") in respect of the Proposed Restructure.

The Proposed Restructure, as set out in the Transaction Agreements and heads of agreement, includes for purposes of the fairness opinion the following:

- the SunWest International (Pty) Limited ("**SunWest**") Disposal;
- the Worcester Casino (Pty) Limited ("**Worcester**") Disposal;
- the Real Africa Holdings ("**RAH**") Offer (offer to be made subject to the fulfilment of a specified precondition); and
- the cancellation of the Western Cape Casino Resorts Manco (Pty) Limited ("**WC Manco**") and Winelands Casino Resorts Manco ("**Worcester Manco**") Management Agreements.

In terms of the SunWest Disposal, Sun International's subsidiary, Sun International (South Africa) Limited ("**SISA**") will acquire from GPI and its wholly-owned subsidiary Business Venture Investments No 575 (Pty) Limited, shares constituting a 4.9% economic interest and a 0.1% voting interest in SunWest for the purchase consideration of R251.8 million, following which GPI will continue to hold 25.1% of the economic rights and 49.9% of the voting rights in SunWest.

In terms of the Worcester Disposal, SISA will acquire from GPI a shareholding of 20.3% in Worcester for the purchase consideration of R15.2 million, following which GPI will continue to hold 25.1% of Worcester.

The RAH Offer will be made by SISA to GPI and its wholly-owned subsidiary Utish Investments (Pty) Limited ("**Utish**") for their entire combined 30.6% shareholding in RAH, as well as to the other minority shareholders of RAH, with such offer to be made subject to the prior fulfilment of the precondition that by no later than 15 December 2011 (or such other date as may be agreed to in writing between SISA and GPI) the Transaction Agreements are signed and become unconditional in accordance with their terms, save for any conditions in the Transaction Agreements relating to the RAH Offer becoming unconditional ("**the RAH Precondition**"). The purchase consideration in terms of the RAH Offer for GPI's and Utish's RAH shares shall be R451.4 million.

In terms of the Proposed Restructure, the existing management contracts currently in place between SunWest and WC Manco, and Worcester and Worcester Manco will be cancelled on the implementation date of the Proposed Restructure, but effective from 1 July 2011, against payment of certain cancellation fees. In terms of the restructuring of management arrangements, GPI is to receive R67.4 million, which includes the cancellation fee which will accrue to GPI through its 50.0% holding in WC Manco, 5.7% holding in National Casino Resort Manco (Pty) Limited ("**National Manco**"), its holding in Worcester Manco and 30.6% holding in RAH, which holds 25.3% of National Manco. RAH's portion of the cancellation fee shall be paid to RAH shareholders in terms of an increase in the RAH share offer price.

2. Scope

The JSE Limited ("**JSE**") has indicated that it views GPI and Sun International as related parties in terms of the JSE Listings Requirements and that, accordingly, it considers the Proposed Restructure to be a related party transaction. Accordingly, the board of directors of GPI ("**the GPI Board**") is required in terms of section 10.4(f) of the JSE Limited ("**JSE**") Listings Requirements to obtain a fairness opinion from an independent professional expert as to whether the terms of the Proposed Restructure are fair as far as the shareholders of GPI are concerned.

We have been appointed by the GPI Board to determine whether the terms of the Proposed Restructure are fair as far as the shareholders of GPI (excluding any related parties) are concerned ("**the fairness opinion**").

3. Responsibility

Compliance with the JSE Listings Requirements is the responsibility of the GPI Board. Our responsibility is to report on the fairness of the terms and conditions of the Proposed Restructure as they relate to GPI shareholders. Full details of the Proposed Restructure are included in the circular to GPI shareholders ("**the circular**").

4. Definition of the term "fairness"

Fairness is primarily based on quantitative issues. The Proposed Restructure will generally be considered to be fair to GPI shareholders if the purchase consideration for the SunWest Disposal, the Worcester Disposal, the RAH Offer and the amount received by GPI pursuant to the cancellation of the existing management agreements (as detailed in section 1 above), is equal to or greater than the value of the assets that are subject of the Proposed Restructure. We have applied the aforementioned principles in preparing our opinion.

5. Sources of information

In arriving at our opinion, we have relied upon and considered, inter alia, the following sources of information:

- Signed agreements in respect of the Proposed Restructure and signed existing agreements including:

- GrandWest Casino management and royal agreement, dated on or about 19 July 2011;
- SunWest Sale Agreement, dated on or about 19 July 2011;
- Worcester Sale Agreement, dated on or about 19 July 2011;
- Table Bay Hotel management and royalty agreement, dated on or about 19 July 2011;
- WC Manco Cancellation Agreement, dated on or about 19 July 2011;
- Worcester Manco Cancellation Agreement, dated on or about 19 July 2011;
- Worcester management and royalty agreement, dated on or about 19 July 2011;
- Heads;
- WC Manco Agreement, dated on or about 3 February 1998;
- Worcester Casino management agreement, dated on or about 19 February 2008;
- GrandWest Casino operating management agreement, dated on or about 5 February 1998;
- Table Bay Hotel operating management agreement, dated on or about 9 February 1998;
- SunWest SHA, dated on or about 24 May 2000; and
- Worcester SHA, dated on or about 8 April 2010;

- The audited financial results of GPI, SunWest, Worcester and RAH for the 12 months ended 30 June 2010 and 30 June 2009;

- The interim financial results of RAH, Sun International, SunWest, Worcester and GPI for the 6 months ended 31 December 2010 and 30 June 2009;

- The authorised budgets of SunWest and Worcester for the 12 months ended 30 June 2011;

- The unaudited management accounts and information of SunWest and Worcester for 12 months ended 30 June 2011;

- Management forecast of financial information of SunWest and Worcester for the 4 years ended 30 June 2015;

- Management forecast of financial information of WC Manco and Worcester Manco for the remaining duration of the respective management agreements;

- GPI management forecast of financial information of the RAH Group and its subsidiaries and associates for the 4 years ended 30 June 2015;

- The historic cash flow from investments of GPI , as provided by GPI management;

- Other financial and non-financial information and assumptions made by management and discussions held with management, directors, senior staff and consultants regarding GPI operations;

- The draft circular to GPI shareholders relating to the Proposed Restructure including the unaudited *pro forma* financial effects of the Proposed Restructure on GPI;

- Discussions with GPI directors and management regarding the financial information relating to prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the Proposed Restructure;

- Share price information on GPI, Sun International and RAH;

- Comparative public available financial information on suitable peer listed companies;

- Publicly available information relating to GPI, RAH, SunWest, Worcester and Sun International that we deemed to be relevant, including company announcements, analysts' reports and media articles; and

- Publicly available information relating to the industry in which GPI and RAH operate that we deemed relevant, including company announcements, analysts' reports and media articles.

Assumptions

We have arrived at our opinion based on the following assumptions:

- That all agreements that have been, and will be entered into, in terms of the Proposed Restructure will be legally enforceable;

- That reliance can be placed on the historical audited financial information of GPI, Sun International, SunWest, Worcester and RAH and unaudited interim financial results of GPI, Sun International and RAH used in the analysis;

- Current economic, regulatory and market conditions will not change materially;

- SunWest, Worcester, WC Manco, Worcester Manco and RAH are not involved in any material legal proceedings;

- SunWest, Worcester, WC Manco, Worcester Manco and RAH have no outstanding disputes with any regulatory body, including the South African Revenue Service;

- There are no undisclosed contingencies that could affect the value of SunWest, Worcester and RAH; and

- The structure of the Proposed Restructure will not give rise to any undisclosed tax liabilities.

6. Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Placing reliance on representations made by GPI management during the course of forming this opinion;

- Considering the historical trends of such information and assumptions;

- Comparing and corroborating such information and assumptions with external sources of information, if such information is available; and

- Determining the extent to which representations from management and other industry experts were confirmed by documentary evidence as well as our understanding of GPI and the economic environment in which it operates.

7. Procedures

In arriving at our opinion, we relied upon financial and other information, obtained from management together with industry-related and other information in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

In arriving at our opinion we have, *inter alia,* undertaken the following procedures in evaluating the fairness of the Proposed Restructure:

- Reviewed and analysed the audited financial results of GPI, SunWest, Worcester and RAH for the year ended 30 June 2010;

- Reviewed and analysed the interim financial results of GPI, SunWest, Worcester and RAH for the 6 months period ended 31 December 2010;

- Reviewed and analysed the selected financial information of SunWest and Worcester up to 30 June 2011;

- Reviewed the terms and conditions of the agreements in respect of the Proposed Restructure, as well as the existing management agreements for WC Manco and Worcester Manco, and any addendums thereto;

- Reviewed the reasonableness of the information made available by and from discussions held with management, including directors of GPI such as, *inter alia*:

    - the rationale for the Proposed Restructure;
    - the events leading up to the Proposed Restructure;
    - such other matters as we considered necessary;
    - the authorised budgets of SunWest, Worcester, WC Manco and Worcester Manco;
    - the GPI managements' forecast financial information of SunWest, Worcester, WC Manco, Worcester Manco and the RAH Group;
    - the assumptions used in preparing the budget and forecast financial information; and
    - the current market conditions relating to GPI;

- Where relevant, corroborated representations made by management to source documents;

- Reviewed certain publicly available information relating to GPI that we have deemed relevant, including announcements, analysts' reports and media articles;

- Reviewed the financial implications of the Proposed Restructure on GPI;

- Performed an independent valuation of SunWest, Worcester and the RAH Group using the income approach, as determined by the Discounted Cash Flow valuation, as primary valuation method in determining the intrinsic value of the companies;

- Performed a present value calculation of the cash flows of WC Manco and Worcester Manco from 1 July 2011 to the expiry dates of the existing management agreements;

- Obtained letters of representation from management asserting that we have been provided with all relevant information and that no material information was omitted and that all such information provided to us is accurate in all respects;

- Considered other relevant facts and information relevant to concluding this opinion; and

- Considered key external and internal value drivers. Key external value drivers identified were inflation rates, interest rates, future GDP growth rates and exchange rates. Key internal value drivers are growth in revenue, gross gaming revenue, return to player margins, earnings margins, level of capital expenditure and working capital requirements. A sensitivity analysis was conducted where practical utilising existing and forecast key value drivers.

8. Opinion

We have considered the terms and conditions of the Proposed Restructure as set out above and based on the aforementioned, we are of the opinion, subject to the limiting conditions as set out below, that the terms and conditions of the Proposed Restructure are fair to GPI shareholders.

This opinion does not purport to cater for each individual shareholder's circumstances and/or risk profile, but rather that of a general body of GPI shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and, accordingly, a shareholder should consult with an independent adviser if the shareholder is in any doubt as to the merits or otherwise of the Proposed Restructure.

9. Limiting conditions

We relied upon the accuracy of the information used by us in deriving our opinion, albeit that, where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding. Whilst our work has involved an analysis of the annual financial statements, budgets and other information provided to us, our engagement does not constitute nor does it include an audit conducted in accordance with applicable auditing standards. Accordingly we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the Proposed Restructure.

The opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the Proposed Restructure have been or will be properly fulfilled. Subsequent developments may affect our opinion, however we are under no obligation to update, revise or re-affirm such.

10. Independence

We have been retained by the GPI Board as an independent professional expert to advise the GPI Board in connection with the Proposed Restructure. We confirm in terms of Schedule 5 of the Listings Requirements of the JSE that we have no material interest, direct or indirect, beneficial or non-beneficial in GPI and that our fees are not contingent upon the success or failure of the Proposed Restructure.

11. Consent

We hereby consent to the inclusion of this opinion and references thereto, in the form and context in which they appear to be included in the circular to be issued to the shareholders of GPI in the form and context in which it appears.

Yours faithfully

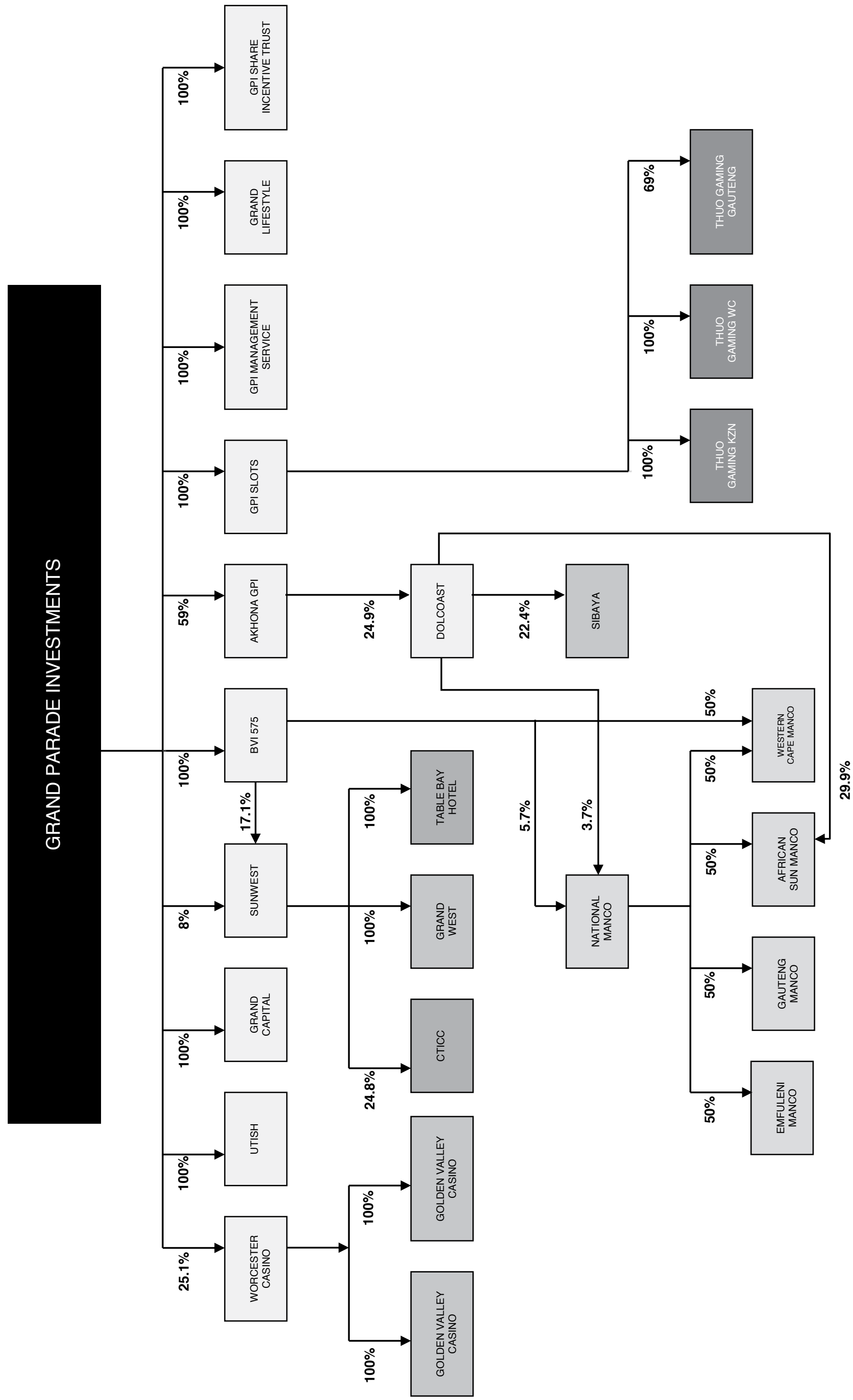
PSG CAPITAL (PTY) LIMITED
RIAAN VAN HEERDEN

PSG CAPITAL (PTY) LIMITED
LLEWELLYN GERBER

PSG CAPITAL (PTY) LIMITED
JOHN-PAUL DICKS

PSG Capital (Pty) Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch 7600

STRUCTURE OF GPI GROUP POST-IMPLEMENTATION OF THE PROPOSED RESTRUCTURE



GRAND PARADE
INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number: 1997/003548/06
Share Code: GPL ISIN: ZAE000119814
("**GPI**" or "**the Company**")

NOTICE OF GENERAL MEETING

Notice is hereby given of the general meeting of shareholders of Grand Parade Investments Limited ("**GPI**" or "**the Company**") to be held at Market Hall, GrandWest Casino, Goodwood, Western Cape on Wednesday, 14 September 2011 at 18:00 pm ("**General Meeting**" or "**the Meeting**").

Purpose

The purpose of the meeting is to consider and, if deemed fit, approve, with or without modification, the ordinary resolutions set out in this notice of general meeting:

Notes:

- *For any of the Ordinary Resolutions Numbers 1 to 4 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.*

- *The JSE Limited ("**JSE**") has indicated that it considers GPI and Sun International Limited to be related parties for purposes of the SunWest Disposal, the Worcester Disposal and the RAH Offer referred to in the ordinary resolutions set out below. Accordingly, it is a condition for the validity of Ordinary Resolutions Numbers 1 to 4 that they be approved by a simple majority of the votes cast by GPI shareholders, other than by (to the extent that they may be shareholders of GPI) Sun International Limited and its associates.*

1.1 ORDINARY RESOLUTIONS

1.1.1 Ordinary Resolution Number 1: SunWest Disposal

"IT IS RESOLVED THAT, subject to the JSE Listings Requirements and subject to the passing of Ordinary Resolutions Number 2 and 3:

(a) the sale by the Company of 331 288 "N" class ordinary shares in the issued share capital of SunWest International (Proprietary) Limited (registration number 1994/038869/07) ("**SunWest**") to Sun International (South Africa) Limited (registration number 1977/071333/06) ("**SISA**"); and

(b) the sale by Business Venture Investments No 575 (Proprietary) Limited (registration number 2000/029598/07) ("**BVI**"), a wholly-owned subsidiary of the Company, of 3 328 ordinary shares in the issued share capital of SunWest and of 391 370 "N" class ordinary shares in the issued share capital of SunWest, to SISA,

be and is hereby approved, with the sale of such shares by the Company and BVI to SISA to be upon the terms and conditions set out in the sale of shares agreement between the Company, BVI and SISA dated on or about 19 July 2011 ("**SunWest Sale Agreement**"), which was made available for inspection by shareholders and the salient terms of which are set out in the circular ("**the Circular**") of which this notice of general meeting forms part (**"SunWest Disposal**")."

The reason for Ordinary Resolution Number 1 is to approve the disposal of the above shares held by the Company and by BVI in SunWest to SISA.

1.1.2 **Ordinary Resolution Number 2: Worcester Disposal**

"IT IS RESOLVED THAT, subject to the JSE Listings Requirements and subject to the passing of Ordinary Resolutions Number 1 and 3, the sale by the Company of 4 422 752 ordinary shares in the issued share capital of Worcester Casino (Proprietary) Limited (registration number 1998/016221/07) ("**Worcester**") to SISA upon the terms and conditions set out in the sale of shares agreement between the Company and SISA dated on or about 19 July 2011 ("**Worcester Sale Agreement**"), which was made available for inspection by shareholders and the salient terms of which are set out in the Circular (**"Worcester Disposal**"), be and is hereby approved."

The reason for Ordinary Resolution Number 2 is to approve the disposal of the above shares held by the Company in Worcester to SISA.

1.1.3 **Ordinary Resolution Number 3: RAH Offer**

"IT IS RESOLVED THAT, subject to the JSE Listings Requirements and subject to the passing of Ordinary Resolutions Number 1 and 2:

(a) the Company accepts an offer ("**RAH Offer**") to be made by SISA to all minority shareholders of Real Africa Holdings Limited (registration number 1994/003919/06) ("**RAH**") (such offer to be made by SISA upon the fulfilment of the precondition set out in the Circular), and sells to SISA the Company's entire shareholding in RAH, comprising 106 183 ordinary shares in the issued share capital of RAH; and

(b) Utish Investments (Proprietary) Limited (registration number 2008/015271/07) ("**Utish**"), a wholly-owned subsidiary of the Company, accepts the RAH Offer to be made by SISA (such offer to be made by SISA upon fulfilment of the precondition set out in the Circular), and sells to SISA Utish's entire shareholding in RAH, comprising 110 535 507 ordinary shares in the issued share capital of RAH,

provided that once the RAH Offer is made, the salient terms of that offer match those set out in the Circular."

The reason for Ordinary Resolution Number 3 is to approve the acceptance by the Company and by Utish, its wholly-owned subsidiary, of an offer to be made in future by SISA to the minority shareholders of RAH (such offer to be made by SISA upon the fulfilment of the precondition set out in the Circular), in terms of which SISA is to acquire the shares owned by such minorities in RAH and to approve the sale of the Company's and Utish's entire shareholding in RAH to SISA pursuant to the acceptance of the aforesaid offer.

1.1.4 **Ordinary Resolution Number 4: Authority to sign and amend documents and take steps to give effect to the resolutions**

"IT IS RESOLVED THAT any director of the Company or any party approved by the directors of the Company be and is hereby authorised on behalf of the Company to sign all documents required to give effect to the Ordinary Resolutions set out above, and to do all such other things as may be necessary in order to give effect hereto, hereby ratifying and confirming all such documentation signed and things already done."

The reason for Ordinary Resolution Number 4 is to grant the directors of the Company and any party approved by the directors the authority to sign all documents and to do all other things required to give effect to the Ordinary Resolutions set out above, and to ratify and confirm all such documentation signed and things already done.

Voting

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 5 August 2011.

2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this meeting is Friday, 9 September 2011. Accordingly, the last day to trade to be entitled to attend and vote at this meeting is Friday, 2 September 2011.

3. Section 63(1) of the Companies Act, No 71 of 2008 (as amended) requires that meeting participants provide satisfactory identification. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

4. Shareholders entitled to attend and vote at the Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder’s proxy) at the Meeting.

5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 18:00 on Monday, 12 September 2011.

6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the Meeting in person will need to request their Central Securities Depository Participant (“CSDP”) or broker to provide them with the necessary Letter of Representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

8. Shareholders or their proxies may participate in the Meeting by way of telephone conference call. A total of 20 telecommunication lines will be available for such participation. Shareholders or their proxies who wish to participate in the Meeting via the teleconference facility must follow the instructions on **Annexure “A”** attached to this notice of general meeting. Shareholders who wish to participate in the meeting by phoning in must note that they will not be able to vote during the Meeting. Such shareholders, should they wish to have their vote counted at the Meeting, must in accordance with paragraphs 4 to 7 above, to the extent applicable:

    (i) complete the proxy form referred to in paragraphs 4 to 5 above; or

    (ii) contact their CSDP or broker as set out in paragraphs 6 to 7 above.

9. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the board

Hassen Adams
Executive chairman

12 August 2011
Cape Town

Registered office
15th Floor, Triangle House
22 Riebeeck Street
Cape Town, 8001
(PO Box 7746, Roggebaai, 8012)

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

ANNEXURE "A"

PARTICIPATION AT THE MEETING VIA ELECTRONIC COMMUNICATION

GRAND PARADE INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration Number: 1997/003548/06
Share Code: GPL, SIN: ZAE000119814
("**GPI**" or "**the Company**")

1 Shareholders or their duly appointed proxy(ies) who wish to participate at the Meeting via electronic communication ("**participants**"), must apply ("**the application**") to the Company's transfer secretaries to do so by returning the form below to the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited (70 Marshall Street, Johannesburg, 2001; PO Box 61051, Marshalltown, 2107) by not later than 18:00 on Monday, 12 September 2011.

2 Participants must note that they will not be able to vote during the Meeting. Participants, should they wish to have their vote counted at the Meeting must, in accordance with paragraphs 4 to 7 of the notice of general meeting to which this is annexure is annexed, to the extent applicable:

2.1 complete the proxy form referred to in paragraphs 4 to 5 of the said notice; or

2.2 contact their CSDP or broker as set out in paragraphs 6 to 7 of the said notice.

3 **Important notice:**

3.1 A total of 20 telecommunication lines will be available.

3.2 Each participant will be contacted between 14:00 and 17:00 on Wednesday, 14 September 2011 via email and/or sms with a code and the relevant telephone number to allow them to dial in.

3.3 The cost of the participant's phone call will be for his/her own expense and will be billed separately by their own telephone service providers.

3.4 The cut-off time to participate in the meeting will be at 17:58 on Wednesday, 14 September 2011. No late dial-in can be accommodated.

The application form

Full name of the shareholder	
ID number	
Email address	
Cell phone number	
Telephone number	(code) (number)
Name of CSDP or broker (if shares are held in dematerialised format)	
Contact number of CSDP or broker	
Contact person at CSDP or broker	
Number of share certificate (if applicable)	
Signature	
Date	

Terms and conditions for participation at the Meeting via electronic communication

1. The cost of dialling in using a telecommunication line to participate at the Meeting, is for the expense of the participant and will be billed separately by the participant's own telephone service provider.

2. The participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that it will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in them or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the Meeting.

3. Shareholders who wish to participate in the Meeting by dialling in must note that they will not be able to vote during the meeting. Such participants, should they wish to have their vote counted at the Meeting must, in accordance with paragraphs 4 to 7 of the notice of the Meeting, to the extent applicable:

3.1. complete the proxy form referred to in paragraphs 4 to 5 of the said notice; or

3.2. contact their CSDP or broker as set out in paragraphs 6 to 7 of the said notice.

4. The application will only be deemed successful if this application form has been completed fully and signed by the shareholder/proxy.

Shareholder name ________________________________

Signature ____

Date ____

GRAND PARADE

INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number: 1997/003548/06
Share Code: GPL ISIN: ZAE000119814
("GPI" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use at the general meeting of ordinary shareholders of the Company, to be held at 18:00 pm on Wednesday, 14 September 2011 at Market Hall, GrandWest Casino, Goodwood, Western Cape.

I/We (Full name in print) ______________________________

of (address) ______________________________

being the registered holder of ______________________ ordinary shares hereby appoint:

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the chairman of the meeting,

as my proxy to vote for me/us at the general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

	Number of shares		
	In favour of	**Against**	**Abstain**
Ordinary Resolution Number 1: Disposal of shares held by the Company and by Business Venture Investments No 575 (Proprietary) Limited in SunWest International (Proprietary) Limited to Sun International (South Africa) Limited ("**SISA**")			
Ordinary Resolution Number 2: Disposal of shares held by the Company in Worcester Casino (Proprietary) Limited to SISA			
Ordinary Resolution Number 3: Acceptance by the Company and by Utish Investments (Proprietary) Limited of an offer to be made by SISA to the minority shareholders of Real Africa Holding Limited ("**RAH**") to acquire their shares			
Ordinary Resolution Number 4: Authority to sign and amend documents and take steps to give effect to the ordinary resolutions			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at ________________________ on this ________________ day of ________________________ 2011

Signature(s) ____

Assisted by *(where applicable) (state capacity and full name)*

____

Each GPI shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to attend, speak and vote in his stead at the general meeting.

Notes

1. A GPI shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A GPI shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.

4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the company, Computershare Investor Services (Proprietary) Limited (PO Box 61051, Marshalltown, 2107), by not later than 18:00 on Monday, 12 September 2011.

5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the general meeting.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to.

www.grandparade.co.za

GRAND PARADE
INVESTMENTS

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