

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* to this cover page.

ACTION REQUIRED BY SHAREHOLDERS

1. This entire Circular is important and should be read with particular attention to the section entitled “*Action required by Shareholders*”, which commences on page 3.
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.
3. If you have disposed of all your Shares in GPI, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.

GPI does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Shareholder to notify such Shareholder of the General Meeting, notice of which is contained in and forms part of this Circular.



GRAND PARADE

INVESTMENTS LIMITED

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 GPI SHAREHOLDERS

Relating to:

- the approval of the GPI Disposal which constitutes a category 1 transaction in terms of the JSE Listings Requirements;

and incorporating

- a Notice of General Meeting of Shareholders; and
- a Form of Proxy (*yellow*) (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-Name Registration only).

Sponsor



PSG CAPITAL

Auditors and Independent
Reporting Accountants



Legal Adviser



Date of issue: Friday, 27 May 2016

Copies of this Circular are available in English only and may, from Friday, 27 May 2016, until Tuesday, 28 June 2016, (both days inclusive), be obtained from the registered office of GPI or the Sponsor, 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).

FORWARD-LOOKING STATEMENT DISCLAIMER

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* to this forward-looking statement disclaimer.

This Circular contains statements about GPI and/or the GPI Group that are or may be forward looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “**believe**”, “**aim**”, “**expect**”, “**anticipate**”, “**intend**”, “**foresee**”, “**forecast**”, “**likely**”, “**should**”, “**planned**”, “**may**”, “**estimated**”, “**potential**” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. GPI cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which GPI operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by GPI, as communicated in publicly available documents by GPI, all of which estimates and assumptions, although GPI believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to GPI or not currently considered material by GPI.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of GPI not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. GPI has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

CORPORATE INFORMATION

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* to this “Corporate information” section.

Directors

Hassen Adams (*Executive Chairman*)
Alan Edward Keet (*Chief Executive Officer*)
Dylan Pienaar (*Financial Director*)
Alexander Abercrombie *
Norman Victor Maharaj (*Lead Independent Director*) *#
Nombeko Mlambo *#
Colin Michael Priem *#
Walter Geach *#
Rasheed Hargey *#

* Non-executive

Independent

Company Secretary and Registered Address of GPI

Lazelle Parton
33 on Heerengracht, Foreshore
Cape Town, 8001
(PO Box 6563, Roggebaai, 8012)

Date of Incorporation of GPI

12 March 1997

Place of incorporation of GPI

Pretoria, South Africa

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Sponsor

PSG Capital Proprietary Limited
(Registration Number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch 7599)

and

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Auditors and Independent Reporting Accountants

Ernst & Young Incorporated
(Practice number: 918288)
Ernst & Young House
35 Lower Long Street
Cape Town, 8001
(PO Box 656, Cape Town, 8000)

Legal Adviser

Bernadt Vukic Potash & Getz
11th Floor
No 1 Thibault Square
Cape Town, 8001
(PO Box 252, Cape Town, 8000)

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ENCLOSURES

Notice of General Meeting of Shareholders

Form of Proxy (*yellow*) in respect of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-Name Registration only)

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* to this section of the Circular.

Please take careful note of the following provisions regarding the action required by Shareholders

1. If you are in any doubt as to what action to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.
2. If you have disposed of all your Shares in GPI, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.
3. **A General Meeting of Shareholders will be held at 18:00 on Tuesday, 28 June 2016 at Market Hall, GrandWest Casino, Goodwood, Western Cape, to consider and, if deemed fit, to pass the resolutions set out in the Notice of General Meeting attached to this Circular.**
4. **If you hold Certificated Shares or Dematerialised Shares and have selected Own-Name Registration:**
 - 4.1. You are entitled to attend the General Meeting in person and speak, vote or abstain from voting at the General Meeting.
 - 4.2. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the Form of Proxy (*yellow*) attached in accordance with the instructions it contains and return it to the Transfer Secretaries to be received by no later than 18:00 on Friday, 24 June 2016.
5. **If you hold Dematerialised Shares and have not selected Own-Name Registration:**
 - 5.1. If your CSDP or Broker has not contacted you, it would be advisable for you to contact your CSDP or Broker and furnish them with your voting instructions. This must be done in terms of the Custody Agreement concluded between you and your CSDP or Broker in the manner and time stipulated therein.
 - 5.2. If your CSDP or Broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.
 - 5.3. In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to attend or be represented by proxy at the General Meeting. Your CSDP or Broker will issue the necessary letter of representation for you to do so.
 - 5.4. **You must not complete the attached Form of Proxy (*yellow*).**

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* to these salient dates and times.

Record date in order to be eligible to receive this Circular, including the Notice of General Meeting	Friday, 20 May 2016
Circular posted to Shareholders on	Friday, 27 May 2016
Announcement providing details of the Transaction, giving salient dates, advising of the posting of this Circular and giving the date and place of the General Meeting released on SENS on	Friday, 27 May 2016
Announcement providing full details of the Transaction, giving salient dates, advising of the posting of this Circular and giving the date and place of the General Meeting published in the South African press on	Monday, 30 May 2016
Last day to trade in Shares in order to be eligible to attend, participate in and vote at the General Meeting	Thursday, 9 June 2016
General Meeting Record Date in order to be eligible to attend, participate in and vote at the General Meeting	Friday, 17 June 2016
Last day for receipt of Forms of Proxy in respect of the General Meeting by 18:00 on	Friday, 24 June 2016
Forms of Proxy not lodged with the Transfer Secretaries to be handed to the chairperson of the General Meeting before 18:00	Tuesday, 28 June 2016
General Meeting of Shareholders to be held at 18:00 on	Tuesday, 28 June 2016
Results of General Meeting released on SENS on	Wednesday, 29 June 2016
Results of General Meeting published in the press on	Thursday, 30 June 2016
Transaction expected to be implemented on or about	Thursday, 30 June 2016

Notes

1. All of the above dates and times are subject to change. Any changes made will be notified to Shareholders by release on SENS.
2. Shareholders should note that, as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after such trade. Therefore, persons who acquire Shares after the last day to trade in order to be eligible to vote at the General Meeting, namely, Thursday, 9 June 2016, will not be able to vote thereat.
3. A Shareholder may submit the Form of Proxy at any time before the commencement of the General Meeting (or any adjournment of the General Meeting) or hand it to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholders' rights at the General Meeting (or any adjournment of the General Meeting), provided that, should a Shareholder lodge the Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, a Shareholder will also be required to furnish a copy of such Form of Proxy to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting).
4. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement.
5. All times given in this Circular are local times in South Africa.

DEFINITIONS AND INTERPRETATION

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite to them in the second column.

“Afrisun”	Afrisun Leisure Investments Proprietary Limited, registration number 1995/011363/07, a limited liability private company duly incorporated in South Africa and a Subsidiary of SIL;
“Board” or “Directors”	the board of directors of GPI;
“Broker”	a “stockbroker” as defined in the Financial Markets Act, or its nominee;
“Business Day”	any day, other than a Saturday, Sunday or public holiday in South Africa;
“Burger King SA”	Burger King (South Africa) Proprietary Limited, registration number 2011/143896/07, a limited liability private company duly incorporated in South Africa and a Subsidiary of GPI;
“CGT”	capital gains tax levied in accordance with the Income Tax Act;
“Cents”	South African cents;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Shares being “certificated securities” as defined in the Financial Markets Act and having accordingly not yet been Dematerialised, title to which are evidenced by Documents of Title;
“Circular”	this circular dated Friday, 27 May 2016 to Shareholders, including all annexures and enclosures hereto;
“Companies Act”	Companies Act, No. 71 of 2008, as amended;
“Company Secretary”	Lazelle Parton;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a Dematerialised share account;
“Custody Agreement”	a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on GPI’s uncertificated securities register administered by a CSDP or Broker on behalf of that person;
“Dematerialise” or “Dematerialisation”	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in GPI’s uncertificated securities register administered by a CSDP;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
“EBITDA”	<p>the consolidated net profits of the company in question for the relevant financial year:</p> <ul style="list-style-type: none">• before income tax as per the income statement;• before interest received or receivable and interest paid or payable;• before depreciation and amortisation; and• before deducting any extraordinary or abnormal costs or including any extraordinary or abnormal income, <p>all as determined in accordance with IFRS, based on the signed, audited financial statements of the company in question for the relevant financial year;</p>
“Excellent Meat Transaction”	the small related party transaction in terms of which Grand Foods acquired 65% of the issued share capital of Excellent Meat Burger Plant Proprietary Limited (registration number 2013/095317/07 from Nadesons and Excellent Holdings Proprietary Limited (registration number 1998/005233/07) for a purchase consideration of R35 800 000 in 2015;

“Financial Markets Act”	the Financial Markets Act, No 19 of 2012, as amended;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>yellow</i>) for use only by Certificated Shareholders and Own-Name Dematerialised Shareholders;
“GCI”	Grand Casino Investments Proprietary Limited, registration number 2000/029598/07, a limited liability private company duly incorporated in South Africa and a Subsidiary of GPI;
“General Meeting”	the general meeting of Shareholders to be held at 18:00 on Tuesday, 28 June 2016 at Market Hall, GrandWest Casino, Goodwood, Western Cape, convened in terms of the Notice of General Meeting enclosed and forming part of this Circular;
“General Meeting Record Date”	in terms of section 59(1)(b) of the Companies Act, the date determined by the Directors as being that date by which a Shareholder is required to be recorded as such in the Register in order to be eligible to attend, participate in and to vote at the General Meeting, being Friday, 17 June 2016;
“GGR”	gross gaming revenue;
“GPI” or “the Company”	Grand Parade Investments Limited, registration number 1997/003548/06, a limited liability public company duly incorporated in South Africa and listed on the JSE;
“GPI Disposal”	the sale and the purchase of the GPI Sale Shares as contemplated in the Transaction Agreement;
“GPI Disposal Closing Date”	30 June 2016, if all of the GPI Disposal Conditions Precedent have been fulfilled or waived by that date, unless GPI has exercised its right in terms of the Transaction Agreement to extend the date for fulfilment thereof by 30 days, in which event the GPI Disposal Closing Date shall be the first day of the month in which the last of the GPI Disposal Conditions Precedent have been fulfilled or waived;
“GPI Disposal Conditions Precedent”	the conditions precedent to the GPI Disposal as set out in paragraph 2.3 of this Circular;
“GPI Properties”	GPI Properties Proprietary Limited, registration number 2011/148809/07, a limited liability private company duly incorporated in South Africa and a Subsidiary of GPI;
“GPI Purchase Consideration”	the purchase consideration of R675 000 000 payable by TSG to the GPI Sellers under the Transaction Agreement subject to adjustment in accordance with clause 11 of the Transaction Agreement as set out in paragraph 2.1 of this Circular;
“GPI Sale Shares”	means the shares being sold by the GPI Sellers, being – <ul style="list-style-type: none"> • 671 000 SunWest Ordinary Shares being sold by GCI; • 799 383 N Shares being sold by GPI; and • 3 138 249 Worcester Ordinary Shares being sold by GPI;
“GPI Sellers”	GPI and GCI;
“GPI Slots”	GPI Slots Proprietary Limited, registration number 2003/005175/07, a limited liability private company duly incorporated in South Africa and 49.9% of which company’s issued shares are owned by GPI, as beneficial owner and registered holder;
“Grand Casino Investments”	Grand Casino Investments Proprietary Limited, registration number 2000/029598/07, a limited liability private company duly incorporated in South Africa and a Subsidiary of GPI;
“Grand Foods”	Grand Foods Proprietary Limited, registration number 2012/165169/07, a limited liability private company duly incorporated in South Africa and a wholly-owned Subsidiary of GPI;
“Group” or “GPI Group”	GPI and its Subsidiaries from time to time;
“Income Tax Act”	the Income Tax Act, No 58 of 1962, as amended;
“Independent Reporting Accountants”	Ernst & Young Incorporated with practice number: 918288;
“JSE”	the exchange, licensed under the Financial Markets Act, operated by the JSE Limited, registration number 2005/022939/06, a limited liability public company duly incorporated in South Africa;
“JSE Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;

“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was Thursday, 19 May 2016;
“LPM”	limited pay-out machine;
“Mac Brothers”	Mac Brothers Catering Equipment Proprietary Limited, registration number 2002/005422/07, a limited liability private company duly incorporated in South Africa and a wholly-owned Subsidiary of Grand Foods;
“Major Subsidiaries”	those Subsidiaries of GPI which represent 25% or more of the total assets or revenue of the consolidated GPI Group based on the latest published interim results, being Grand Casino Investments, Burger King SA and Mac Brothers;
“MOI”	the memorandum of incorporation of GPI;
“N Shares”	shall have the meaning ascribed to the term “N Shares” in the memorandum of incorporation of SunWest;
“Nadesons”	Nadesons Investments Proprietary Limited, registration number 2006/022023/07, a limited liability private company duly incorporated in South Africa, 83.7% of the share capital of which is indirectly beneficially held by Hassen Adams (as the ultimate controlling shareholder) and 8% of the share capital of which is indirectly beneficially held by Alan Keet;
“Net Debt”	in respect of the company in question, as at the relevant date: <ul style="list-style-type: none"> • the sum of (i) the face value of all interest-bearing debt of the company, including outstanding amounts in respect of bank overdrafts, revolving credit facilities and the loan owed by the company to SIL and (ii) any dividends declared but not paid; less • the sum of all cash and cash equivalents held by the company, including financial instruments that can be readily converted into cash, short-term deposits and cash-on-hand;
“Notice of General Meeting”	the notice of the General Meeting enclosed and forming part of this Circular;
“Own-Name Registration” or “Own-Name Dematerialised Shareholders”	Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
“PSG Capital” or “Sponsor”	PSG Capital Proprietary Limited, registration number 2006/015817/07, a limited liability private company duly incorporated in South Africa;
“Rand” or “R”	South African Rand;
“Register”	the register of Shareholders;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholders” or “GPI Shareholders”	registered holders of Shares;
“Shares” or “GPI Shares”	ordinary no par value shares in the share capital of GPI and which shares are listed on the JSE;
“South Africa”	the Republic of South Africa;
“SIEST”	the Trustees for the time being of the Sun International Employee Share Trust, Master’s reference number IT3902/03;
“SIL”	Sun International Limited, registration number 1967/007528/07, a limited liability public company duly incorporated in South Africa and listed on the JSE;
“SISA”	Sun International (South Africa) Limited, registration number 1977/071333/06, a limited liability public company duly incorporated in South Africa and wholly-owned Subsidiary of SIL;
“Spur Corporation”	Spur Corporation Limited, registration number 1998/000828/06, a limited liability public company duly incorporated in South Africa and 10% of which company’s issued shares are owned by GPI, as beneficial owner and registered holder;
“Strate”	Strate Proprietary Limited, registration number 1998/022242/07, a limited liability private company duly incorporated in South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“Subsidiaries” or “Subsidiary”	a subsidiary or subsidiaries as defined in the Companies Act;

“Sun Disposal”	the sale and the purchase of the Sun Sale Shares as contemplated in the Transaction Agreement;
“Sun Sale Shares”	<p>the shares being sold by the Sun Sellers, being –</p> <ul style="list-style-type: none"> • 1 014 734 N Shares being sold by SISA; • 455 649 N Shares being sold by Afrisun; • 3 086 718 Worcester Ordinary Shares being sold by SISA; and • 51 531 Worcester Ordinary Shares being sold by Afrisun;
“Sun Sellers”	SISA and Afrisun;
“SunWest”	<p>SunWest Proprietary Limited, registration number 1994/003869/07, a limited liability private company duly incorporated in South Africa, with its registered office at 6 Sandown Valley Crescent, Sandown, Sandton, 2146, beneficially owned by the following parties as at the Last Practicable Date:</p> <ul style="list-style-type: none"> • Afrisun (14.87%); • GCI (17.10%); • GPI (8.00%); • SIEST (3.30%); and • SISA (56.73%);
“SunWest Ordinary Shares”	shall have the meaning ascribed to the term “Ordinary Shares” in the memorandum of incorporation of SunWest;
“Transaction”	the GPI Disposal and the Sun Disposal collectively as contemplated in the Transaction Agreement;
“Transaction Agreement”	the agreement entered into on 4 April 2016 between GPI, SIL, SISA, Afrisun, GCI, TSG, SunWest and Worcester in order to effect the Transaction, as amended by the addendum dated 17 May 2016;
“Transaction Purchase Consideration”	the purchase consideration of R1 350 000 000 payable by TSG to the GPI Sellers and the Sun Sellers under the Transaction Agreement subject to adjustment in accordance with clause 11 of the Transaction Agreement;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a limited liability private company duly incorporated in South Africa;
“Tsogo”	Tsogo Sun Holdings Limited, registration number 1989/002108/06, a limited liability public company duly incorporated in South Africa and listed on the JSE;
“TSG”	Tsogo Sun Gaming Proprietary Limited, registration number 2002/006402/07, a limited liability private company duly incorporated in South Africa and a Subsidiary of Tsogo;
“Worcester”	<p>Worcester Casino Proprietary Limited, registration number 1998/016221/07, a limited liability private company duly incorporated in South Africa, with its registered office at 6 Sandown Valley Crescent, Sandown, Sandton, 2146, beneficially owned by the following parties as at the Last Practicable Date:</p> <ul style="list-style-type: none"> • Afrisun (10.05%); • GPI (25.10%); • SIEST (3.50%); and • SISA (61.35%); and
“Worcester Ordinary Shares”	shall have the meaning ascribed to the term “Ordinary Shares” in the memorandum of incorporation of Worcester.



GRAND PARADE
INVESTMENTS LIMITED

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)
Alan Edward Keet (Chief Executive Officer)
Dylan Pienaar (Financial Director)
Alexander Abercrombie *
Norman Victor Maharaj (Lead Independent Director) *#
Nombeko Mlambo *#
Colin Michael Priem *#
Walter Geach *#
Rasheed Hargey *#

* Non-executive
Independent

CIRCULAR TO GPI SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1. Shareholders were advised on 4 April 2016 on SENS and in the South African press that GPI had concluded the Transaction Agreement regulating the Transaction and that a circular would be issued to Shareholders in due course containing further details of the Transaction.
- 1.2. In terms of the Transaction it is proposed that the Sun Sellers and the GPI Sellers will dispose of a 10% interest each in SunWest (in the case of the GPI Sellers a 10% economic interest and 19.96% voting interest) and a 10% interest each in Worcester (in the case of the GPI Sellers a 10% economic and voting interest).
- 1.3. The purpose of this Circular is to:
 - 1.3.1 provide Shareholders with the requisite information in accordance with the JSE Listings Requirements and the Companies Act with regard to the Transaction (and specifically the GPI Disposal) and to enable Shareholders to make an informed decision as to how they will vote in respect of the resolutions set out in the Notice of the General Meeting enclosed with this Circular; and
 - 1.3.2 convene the General Meeting of Shareholders in order to pass such resolutions as are necessary to authorise and implement the GPI Disposal.

2. DETAILS OF THE TRANSACTION

2.1. Overview

- 2.1.1 SunWest and Worcester have casino and hotel operations in the Western Cape. SunWest's primary assets consist of the GrandWest Casino and Entertainment World and the Table Bay Hotel in Cape Town situated on the historic Victoria & Alfred Waterfront. Worcester operates the casino, hotel and ancillary leisure and entertainment business in respect of the Golden Valley Casino at Worcester in the Breede River Valley.
- 2.1.2 The GPI Sellers hold an economic interest of 25.1% in each of SunWest and Worcester and a voting interest of 49.89% in SunWest and 25.1% in Worcester.
- 2.1.3 The Transaction (and specifically the GPI Disposal), *inter alia*, entails GPI disposing of a 10% economic interest and 19.96% voting interest in SunWest and 10% economic and voting interest in Worcester to TSG for the GPI Purchase Consideration. The difference between the economic and voting interest in SunWest is due to the N Shares in SunWest having less voting rights than the SunWest ordinary shares.
- 2.1.4 The Transaction Purchase Consideration is calculated based on the aggregate of the forecast EBITDA for both of SunWest and Worcester for the financial year ended 30 June 2016 and the aggregate of the forecast Net Debt of both SunWest and Worcester as at 30 June 2016.
- 2.1.5 The aggregate of the actual EBITDA for both of SunWest and Worcester for the financial year ended 30 June 2016 ("**Adjustment EBITDA**") and the aggregate of the actual Net Debt of both SunWest and Worcester

as at 30 June 2016 (“**Adjustment Net Debt**”) shall be determined by each of SunWest and Worcester (the “**Determinations**”) as soon as reasonably possible after the signature of the audited annual financial statements of SunWest and Worcester respectively for the financial year ended 30 June 2016 and in any event within ten Business Days thereof, and notified to the parties to the Transaction Agreement.

- 2.1.6 Should any party dispute a Determination, it shall do so by notice in writing given to other parties within ten Business Days of receipt of the Determination specifying in reasonable detail the basis for its dispute, failing which the parties will be deemed to have accepted the Determination. If any party validly disputes a Determination as aforesaid, the Determination will be referred to an independent auditor for determination, acting as experts and not as arbitrators.
- 2.1.7 In the event that:
- 2.1.7.1 the Adjustment Net Debt is less than R1 000 000 000 (“**Net Debt Benchmark**”) the aggregate Transaction Purchase Consideration will be increased by 20% of the difference between the Net Debt Benchmark and the Adjustment Net Debt; or
- 2.1.7.2 the amount of the Adjustment Net Debt is more than the Net Debt Benchmark the aggregate Transaction Purchase Consideration will be reduced by 20% of the difference between the amount of the Adjustment Net Debt and the Net Debt Benchmark,
- it being recorded that there will be no adjustment to the aggregate Transaction Purchase Consideration in the event that the Adjustment Net Debt is equal to the Net Debt Benchmark.
- 2.1.8 In the event that the Adjustment EBITDA is less than R975 000 000, then the aggregate Transaction Purchase Consideration will be reduced by an amount equal to R1 350 000 000 less an amount calculated as follows:
- 2.1.8.1 the amount of the Adjustment EBITDA; multiplied by
- 2.1.8.2 7.75; less
- 2.1.8.3 the Net Debt Benchmark; multiplied by
- 2.1.8.4 20%,
- it being recorded that there will be no adjustment to the aggregate Transaction Purchase Consideration in the event that the amount of the Adjustment EBITDA is equal to or more than R975 000 000.
- 2.1.9 Any adjustment to the aggregate Transaction Purchase Consideration as set out above will apply proportionally to the Transaction Purchase Consideration payable to the GPI Sellers and the Sun Sellers.
- 2.1.10 TSG will settle the GPI Purchase Consideration to the GPI Sellers as follows:
- 2.1.10.1 provided that GPI gives TSG and the Sun Sellers written notice prior to 15:00 on 29 June 2016, that all of the GPI Disposal Conditions Precedent have been fulfilled or waived, TSG will pay the GPI Sellers, on 30 June 2016, an amount equal to the aggregate of all instalments payable to the Sun Sellers in terms of the Transaction Agreement up until 30 June 2016; or
- 2.1.10.2 if GPI gives TSG and the Sun Sellers written notice after 15:00 on 29 June 2016 but before 23:59 on 30 June 2016, that all of the GPI Disposal Conditions Precedent have been fulfilled or waived, TSG will pay the GPI Sellers, on the 2nd Business Day after receiving such notice, an amount equal to the aggregate of all instalments payable to the Sun Sellers in terms of the Transaction Agreement up until the GPI Disposal Closing Date; or
- 2.1.10.3 if GPI exercises its right to extend the date of the fulfilment of the GPI Disposal Conditions Precedent with 30 days in terms of the Transaction Agreement, TSG will pay the GPI Sellers, on the GPI Disposal Closing Date, an amount equal to the aggregate of all instalments paid to the Sun Sellers in terms of the Transaction Agreement up until the GPI Disposal Closing Date; and
- 2.1.10.4 the balance of the GPI Purchase Consideration payable to the GPI Sellers will be payable in further equal instalments as will be equal the number of further instalments still to be paid to the Sun Sellers in terms of the Transaction Agreement, provided that (i) if paragraphs 2.1.10.1 or 2.1.10.2 applies, the first of these instalments will be payable on 15 July 2016 and thereafter on the first Business Day of each consecutive month; and (ii) if paragraph 2.1.10.3 applies the first of these instalments will be payable on the first Business Day of the first month following the GPI Disposal Closing Date and thereafter on the first Business Day of each consecutive month.
- 2.1.11 The GPI Purchase Consideration (as adjusted) will be allocated to the GPI Sale Shares as follows:
- 2.1.11.1 R267 328 053 as to the SunWest Ordinary Shares being sold by GCI;
- 2.1.11.2 R375 133 485 as to the N Shares being sold by GPI; and
- 2.1.11.3 R32 538 462 as to the Worcester Ordinary Shares being sold by GPI.
- 2.1.12 The Transaction (and specifically the Sun Disposal) also, *inter alia*, entails SIL disposing of a 10% economic and voting interest in each of SunWest and Worcester on the same conditions as the GPI Disposal.
- 2.1.13 The Transaction will not result in a change of control in respect of SunWest or Worcester.

- 2.1.14 Following the implementation of the Transaction, the effective voting and economic shareholding of SunWest and Worcester will be as follows:

	SunWest		Worcester	
	SIL and GPI sell 10% each		SIL and GPI sell 10% each	
	Voting	Economic	Voting	Economic
SIL	50.06%	61.60%	61.40%	61.40%
GPI	29.93%	15.10%	15.10%	15.10%
SIEST	0.01%	3.30%	3.50%	3.50%
TSG	20.00%	20.00%	20.00%	20.00%
Total	100%	100%	100%	100%

- 2.1.15 TSG's investment in SunWest and Worcester will be that of a passive investor and TSG will therefore have no:
- 2.1.15.1. representation on the board of directors of either SunWest or Worcester;
 - 2.1.15.2. operational involvement in SunWest and Worcester; or
 - 2.1.15.3. access to any information regarding SunWest and Worcester, except for information to which it has statutory rights as a shareholder, which will include the audited financial statements of SunWest and Worcester.
- 2.1.16 It is recorded that an aggregate dividend of R120 000 000 in respect of SunWest will be declared to the holders of shares in SunWest (including to the holders of the Sun Sale Shares and the GPI Sale Shares) prior to the GPI Disposal Closing Date. The sale of the GPI Sale Shares are made ex such dividend.
- 2.1.17 Sun International Management Limited will continue to manage SunWest and Worcester under its existing management contract on the same terms and conditions.

2.2. Rationale for the Transaction and use of proceeds

- 2.2.1 The Transaction (and specifically the GPI Disposal) will realise significant value for Shareholders and represents an excellent return on investment. GPI has been invested in SunWest and Worcester, as SIL's initial BEE partner, for 17 years, but believes that the timing and terms of the Transaction support GPI's strategy to pursue new investment opportunities in the food industry as well as to reduce debt obligations in GPI.
- 2.2.2 Importantly, SIL and TSG have the necessary financial capability, requisite BEE credentials, regulatory and industry knowledge to implement the Transaction (and accordingly the GPI Disposal) at a valuation that meets GPI's expectations.
- 2.2.3 GPI has identified a number of advantages to the GPI Disposal, which include the following:
- 2.2.3.1. compelling valuation and investment returns;
 - 2.2.3.2. the anticipated proceeds place GPI in a strong cash position with the flexibility to:
 - invest in its existing food related assets;
 - to pursue new investment opportunities within the food and its related industries; or
 - to reduce its debt obligations to within the target debt equity range of between 20% and 35%.

2.3. The GPI Disposal Conditions Precedent

- 2.3.1 The GPI Disposal forming part of the Transaction is conditional on the following conditions precedent:
- 2.3.1.1. GPI obtaining Shareholder approval in respect of the GPI Disposal and notifying TSG and the Sun Sellers thereof in writing by 30 June 2016;
 - 2.3.1.2. GPI securing the release of its shares in SunWest that are currently subject to security arrangements with The Standard Bank of South Africa and Nedbank Limited by 30 June 2016; and
 - 2.3.1.3. the Sun Disposal being implemented.
- 2.3.2 Should the GPI Disposal not obtain the necessary Shareholder approvals, the status quo in regard to GPI's interests in Sunwest and Worcester will remain.
- 2.3.3 The Sun Disposal forming part of the Transaction was conditional upon receipt of confirmation from SIEST, by not later than 30 April 2016 that it has waived its pre-emptive rights in terms of the current shareholders' agreement. SIEST has a right to increase its current shareholding in SunWest from 3.3% to 3.5%. It is recorded that this condition was fulfilled on 25 April 2016 and the Sun Disposal is therefore unconditional as at the date of this Circular.

2.4. The effective date of the Transaction

The effective date of the GPI Disposal will be the GPI Disposal Closing Date which is envisaged as being 30 June 2016.

2.5. Other significant terms of the Transaction Agreement

The Transaction Agreement contains warranties and indemnities that are customary for agreements of this nature.

2.6. **Categorisation of the Transaction**

In terms of the JSE Listings Requirements of the JSE, as the value of the Transaction, insofar as it relates to GPI, exceeds 30% of GPI's market capitalisation, it meets the definition of a category 1 transaction as contemplated in terms of section 9 of the JSE Listings Requirements. As a result, a General Meeting of Shareholders will be convened and an ordinary resolution in respect of the GPI Disposal will be required to be approved by Shareholders at the General Meeting. The GPI Disposal is not made to a related party and there are accordingly no related party transaction implications in terms of the JSE Listings Requirements.

3. **THE BUSINESS OF THE GPI GROUP**

3.1. GPI is a Western Cape-based, black owned and controlled company historically focussed on passive investments in the South African hospitality and gaming industry. In recent years, while still maintaining a core focus on maximising the potential of new and existing hospitality and gaming investments, GPI has also positioned itself to take advantage of high growth opportunities beyond this sector, particularly where there are strong synergies with existing investments.

3.2. **The business of GPI can be summarised as follows:**

- 3.2.1 gaming and leisure investments comprising non-controlling interests in SunWest, Worcester and GPI Slots;
- 3.2.2 food-related investments comprising a minority interest in Spur Corporation and controlling interests in Burger King SA; Dunkin' Donuts and Baskin-Robbins, Mac Brothers and Grand Foods; and
- 3.2.3 other investments comprising early-stage gaming-related (machine and equipment manufacture and assembly) opportunities and various commercial and industrial properties.

3.3. **Gaming and leisure investments**

3.3.1 **SunWest**

- 3.3.1.1. SunWest holds 100% of Grand West Casino and Entertainment World, 100% of the Table Bay Hotel and 8.2% of the Cape Town International Convention Centre ("**CTICC**").
- 3.3.1.2. GrandWest Casino is situated in Goodwood, Cape Town, and provides a diverse entertainment offering. Operations include gambling (casino tables and slot machines), together with a host of entertainment facilities, from restaurants to bars, fast food outlets, cinemas, a theatre, and retail shops. Visitors have a choice of the 4-star Grand Hotel or the City Lodge for accommodation. GrandWest also offers full conference and banqueting facilities and has played host to a variety of events, exhibitions and gala dinners. Its multi-purpose arena with seating for more than 5 000 people, has hosted world-class shows and concerts.
- 3.3.1.3. The Table Bay Hotel is one of the "Leading Hotels of the World" and is situated in the historic Victoria & Alfred Waterfront in Cape Town. This luxury 5-star hotel has 329 rooms, three restaurants, a pool, gymnasium, health spa, conference facilities, chauffeur service and underground parking.
- 3.3.1.4. The CTICC is situated on the Cape Town Foreshore and is a city-based initiative that formed part of the original licence bid by SunWest for the Cape Town metro casino licence in 1999. SunWest has an 8.2% interest in Convento (the holding company of the CTICC) while the balance of 75.25% is held by the Western Cape Provincial Government and the City of Cape Town. The CTICC is recognised as a world-class convention centre that, since its completion in 2003, has seen hundreds of thousands of visitors attending consumer exhibitions, conferences and trade shows. The CTICC is recognised internationally for its meticulous design and the use of modern amenities and technology throughout the building, and is currently undergoing expansion that will double the centre's existing exhibition capacity by adding 10 000 m² of flexible space.

3.3.2 **Worcester**

Worcester holds 100% of the Golden Valley Casino and Golden Valley Lodge, comprising a casino, hotel, conference centre and other leisure facilities in Worcester in the Western Cape. The casino was the fifth and final casino to be opened in the Western Cape, and has both slot machines and tables in operation, as well as a conference centre, restaurant and other entertainment facilities. Golden Valley Lodge is a 98 room, 3-star hotel located adjacent to the casino and conference centre.

3.3.3 **GPI Slots**

GPI Slots is primarily involved in the operation of LPMs with Route Operator Licences in the Western Cape, KwaZulu-Natal (2 licences), Gauteng (2 licences) and Mpumalanga. Each Route Operator Licence entitles the holder to manage and operate 1 000 LPMs within the respective province, except in Mpumalanga where the licensing process differs and where the entity currently operates approximately 168 LPMs. GPI Slots is the second largest operator of LPMs in South Africa with a total of 3 465 LPMs in operation across all licences as at 31 March 2016.

3.4. **Food-related investments**

3.4.1 **Burger King SA**

- 3.4.1.1. GPI and Burger King Worldwide have formed Burger King SA, which holds the long-term master franchise agreement for Burger King in South Africa and will have exclusive rights to develop and expand the BURGER KING® brand in the country's quick service restaurant market.
- 3.4.1.2. GPI opened the first Burger King restaurant in Cape Town at 33 on Heerengracht in May 2013 and has established a meaningful presence in the quick-service restaurant (QSR) market during its first 3 years of operations. As at 17 April 2016, 65 restaurants have been opened.

3.4.2 **Dunkin' Donuts and Baskin-Robbins**

- 3.4.2.1. GPI signed an exclusive master franchise agreement with Dunkin' Brands International in January 2016 which permits GPI to develop Dunkin' Donuts and Baskin-Robbins (two of the world's most recognisable brands), in South Africa with a right of first refusal to enter Namibia, Botswana, Zambia and Mauritius.
- 3.4.2.2. Dunkin' Donuts is one of the world's leading coffee and bakery chains, with more than 11 500 outlets in 40 countries worldwide selling more than 1.8 billion cups of coffee a year. Over 50% of Dunkin' Donuts global sales consist of coffee sales.
- 3.4.2.3. Baskin-Robbins is the world's largest chain of ice cream speciality outlets known for its "31 flavours" and creative range of frozen desserts. Currently there are more than 7 600 Baskin-Robbins outlets in nearly 50 countries, serving over 300 million customers a year.
- 3.4.2.4. The partnership with these two highly-respected global brands will provide the ideal platform to further establish GPI's food business and plans are in motion to roll-out the first Dunkin' Donuts restaurant and Baskin-Robbins shop in the second half of 2016.
- 3.4.2.5. The exclusive master licence agreement is for a 10-year period with an option to renew for further 10-years.

3.4.3 **Mac Brothers**

- 3.4.3.1. Mac Brothers was established in 2002 and is today, one of the largest catering equipment manufacturers in South Africa and one of the leading suppliers of catering equipment and related services to the food service industry in Africa.
- 3.4.3.2. Mac Brothers manufactures and supplies its own extensive range of stainless steel catering and refrigeration equipment and has well established agency agreements in place to import, supply and service some of the top international brands of food service equipment. Its footprint extends across a well-established and varied client-base supplying Burger King SA, local coffee shops, bakeries and restaurants through to franchise groups, hotel groups, golf and wine estates, staff canteen feeding organisations, prisons, hospitals, mines as well as a large number of South Africa's finest and world renowned restaurants. Mac Brothers is also a patron sponsor of the South African Chefs Association and is part of their program to inspire, train and promote up- and-coming chefs to the industry.

3.4.4 **Grand Foods Meat Plant**

The Grand Foods' Meat Plant is a state-of-the-art burger production facility built to EU standards and a Halaal-certified supplier.

3.4.5 **Spur Corporation**

Spur Corporation operates Spur Steak Ranches, Panarottis Pizza Pasta, John Dory's Fish Grill Sushi, Captain DoRegos, The Hussar Grill and RocoMamas restaurant franchises. The group also operates its own central kitchen facility which manufactures certain of the group's unique sauces and has a recently acquired minority interest in a rib processing plant.

3.5. **Other Investments**

- 3.5.1.1. Grand Tellumat Manufacturing Proprietary Limited ("**GTM**") is a joint venture between GPI and Tellumat Proprietary Limited which was established to, *inter alia*, assemble and manufacture slot machines for international Original Equipment Manufacturers (OEM).
- 3.5.1.2. The recent investment by GPI in Atlas Gaming Holdings (Pty) Ltd ("**Atlas**") of Australia and the awarding of the relevant African production of their slot machines to GTM will further strengthen GTM's position as South Africa's only local manufacturer of gaming machines and ancillary terminals.

4. **FINANCIAL INFORMATION OF SUNWEST AND WORCESTER**

4.1. **SunWest:**

- 4.1.1 The historical financial information of SunWest for the financial years ended 30 June 2015, 30 June 2014 and 30 June 2013 as extracted from the financial information of SIL and GPI have been included in **Annexure 3**.
- 4.1.2 The interim financial information of SunWest for the six months ended 31 December 2015 as extracted from the financial information of SIL and GPI have been included in **Annexure 4**.
- 4.1.3 The aforementioned extracted historical financial statements are the responsibility of the Directors of GPI.

4.2. **Worcester:**

- 4.2.1 The historical financial information of Worcester for the financial years ended 30 June 2015, 30 June 2014 and 30 June 2013 as extracted from the financial information of SIL and GPI have been included in **Annexure 5**.
- 4.2.2 The interim financial information of Worcester for the six months ended 31 December 2015 as extracted from the financial information of SIL and GPI have been included in **Annexure 6**.
- 4.2.3 The aforementioned extracted historical financial statements are the responsibility of the Directors of GPI.

5. PRO FORMA FINANCIAL INFORMATION OF GPI

- 5.1. The consolidated *pro forma* financial effects of the Transaction, as set out below, are the responsibility of the Directors. The consolidated *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 the Company's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present the Company's financial position, changes in equity, results of operations or cash flows post the implementation of the Transaction.
- 5.2. The consolidated *pro forma* financial effects set out below should be read in conjunction with the consolidated *pro forma* condensed Group statement of comprehensive income and the consolidated *pro forma* Group statement of financial position 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**.
- 5.3. The table below sets out the *pro forma* financial effects of the adjustments of the Company, based on the unaudited interim financial results for the six months ended 31 December 2015 and on the assumption that, for calculating the net asset value per GPI Share and net tangible asset value per GPI Share, the Transaction was effected on 31 December 2015. In respect of the earnings per GPI Share and headline earnings per GPI Share it is assumed that the Transaction was effected on 1 July 2015.

	Results for the six months ended 31 December 2015	Pro forma results after the Transaction	Change (%)
Net asset value per Share (cents)	492	524	7%
Net tangible asset value per Share (cents)	468	500	7%
Earnings per Share (cents)	5.67	37.46	561%
Headline earnings per Share (cents)	2.05	1.15	(44%)
Number of Shares in issue after treasury shares ('000)	472 971	472 971	–
Weighted number of Shares in issue ('000)	471 584	471 584	–

Notes:

1. The detailed notes and assumptions to the *pro forma* financial information of GPI are set out in Annexure 1.

6. INFORMATION RELATING TO THE GPI GROUP

6.1. Share capital

The authorised and issued share capital of GPI, before and after the Transaction, is set out below:

Before and After	Number of Shares	Stated Capital R'000
Authorised		
Ordinary Shares of no par value	2 000 000 000	500
Issued		
Ordinary shares of no par value	488 805 600	848 318
Treasury shares held by the Grand Parade Share Incentive Trust and the GPI Women's Empowerment Trust	15 799 583	–

6.2. Major Shareholders and interests

As far as GPI is aware, as at the Last Practicable Date the following persons, other than Directors, are beneficially interested, directly or indirectly, in 5% or more of the Shares in issue:

Name of Shareholder	Number of Shares	Percentage of Shares in issue
Foord Asset Management	54 576 812	11.17%
Nadesons ¹	53 815 969	11.01%
The Chandos Trust ²	47 268 792	9.67%
Kagiso Asset Management	39 687 647	8.12%
Sanlam Group	30 368 380	6.21%
Total	225 717 600	46.18%

Notes:

1. Hassen Adams and Alan Keet are directors and indirect beneficial shareholders of Nadesons.
2. No Director of GPI is a trustee or a beneficiary of the Chandos Trust.

There has been no change in the controlling Shareholder nor trading objects of GPI in the five years prior to the Last Practicable Date, nor in respect of any of its Subsidiaries and there will be no change in the shareholding in GPI as a result of the Transaction.

6.3. Material changes

There have been no material changes in the financial or trading position of the GPI Group, SunWest or Worcester since the publication of the unaudited financial results for the interim period ended 31 December 2015, until the Last Practicable Date.

6.4. Prospects

The Board of GPI is of the view that the business of the GPI Group has attractive growth prospects over the medium to long-term. The management team is well placed to take advantage of new opportunities that have already been identified as potential investments, and to continue to identify suitable new investment and growth opportunities.

6.5. Material Borrowings

6.5.1 Details of the material borrowings of GPI and its Subsidiaries are disclosed in **Annexure 9**.

6.5.2 All payments due in respect of the preference shares and material loans set out in **Annexure 9** in the 12 months following the Last Practicable Date, will be paid from the Group's free cash flow and no refinancing will be required with the exception of the Standard Bank credit facility, which expires on 30 June 2016, in respect of which the management of GPI is negotiating with the lenders to convert the facility into a five year amortising term loan. It is expected that this conversion will take place prior to 30 June 2016 and the monthly payments will also be repaid from the Group's free cash flow.

6.5.3 A portion of the proceeds of the GPI Disposal will be used to reduce the material borrowings as specified in **Annexure 9**.

6.6. Material contracts

There have been no material contracts, other than the Transaction Agreement, entered into either verbally or in writing by GPI or its Subsidiaries, SunWest or Worcester being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on or proposed to be carried on by GPI and/or its Subsidiaries and/or SunWest or Worcester, within the two years preceding the date of this Circular, or concluded at any time, and which contain an obligation or settlement that is material to GPI and/or its Subsidiaries at the date of this Circular.

6.7. Acquisition of material assets

No material assets have been acquired by SunWest or Worcester during the last three years preceding the date of this Circular.

7. INFORMATION RELATING TO DIRECTORS

7.1. Details of Directors

The full names, age, capacity and business address of the Directors of GPI are outlined below:

Full name	Age	Capacity	Business Address
Hassen Adams	63	Executive Chairman	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001
Alan Edward Keet	47	Chief Executive Officer	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001
Dylan Pienaar	37	Financial Director	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001
Alex Abercrombie	65	Non-Executive Director	11 Golden Grove, Rondebosch, 7700
Norman Victor Maharaj	65	Lead independent Director	23 Oliehout Drive, Platteklouf, 7500
Nombeko Mlambo	70	Independent non-executive Director	3 Derna Road, Kenwyn, Cape Town
Colin Michael Priem	57	Independent non-executive Director	5th Floor, Harbour Place, 7 Martin Hammerslag Way, Foreshore, Cape Town, 8001
Walter Geach	61	Independent non-executive Director	University of Western Cape, Modderdam Road, Cape Town
Rasheed Hargey	59	Independent non-executive Director	52 Milner Road, Rondebosch, 7700

Notes:

1. All Directors are South African citizens.
2. None of the Directors are partners with unlimited liability.

Details of the directors of the Major Subsidiaries of GPI are set out in **Annexure 7** to this Circular.

7.2. Directors' interests in the issued Shares of GPI

The table below sets out the direct and indirect beneficial interests of the Directors (and their associates), including any directors who may have resigned during the last 18 months, in GPI's issued share capital as at the Last Practicable Date:

Director	Direct ('000)	Indirect ('000)	Total ('000)	% Held
Hassen Adams	4 690	47 220	51 910	10.62
Alan Edward Keet	1 178	4 508	5 686	1.16
Dylan Pienaar	206	–	206	0.04
Alex Abercrombie	–	6 500	6 500	1.33
Norman Victor Maharaj	–	10	10	–
Nombeko Mlambo	20	43	63	0.01
Colin Michael Priem	–	–	–	–
Walter Geach	–	–	–	–
Rasheed Hargey	–	–	–	–
Total	6 094	58 281	64 375	13.17

The dealings in respect of beneficial holdings by Directors of GPI in GPI Shares since 30 June 2015 until the Last Practicable Date are as follows:

Name	Date	Nature of transaction	Number of Shares	Price (cps)
Alan Keet	21 Sept 2015	Exercise of options awarded in terms of a share incentive scheme	668 504	554
Hassen Adams	23 Sept 2015	Exercise of options awarded in terms of a share incentive scheme	1 125 346	550
Dylan Pienaar	1 Oct 2015	Exercise of options awarded in terms of a share incentive scheme	205 678	542
Alex Abercrombie	26 Nov 2015	Purchase of Shares (off-market transaction)	6 400	600
Alex Abercrombie	17 Dec 2015	Exercise of options awarded in terms of a share incentive scheme at the time he was an executive Director	459 332	424
Alex Abercrombie	23 Dec 2015	Purchase of Shares (off-market transaction)	79 824	441.66
Alex Abercrombie	31 Dec 2015	Transfer of Shares to Rednaxela Proprietary Limited, which is owned and controlled by the Director	6 500 000	n/a

7.3. Directors' remuneration

- 7.3.1 For the year ended 30 June 2015, no Director has received management, consulting or technical fees from the GPI Group nor any part of any other fees for such services rendered, directly or indirectly, including payments to management companies.
- 7.3.2 For the year ended 30 June 2015, no Director has received any commission, gain or entered into any profit-sharing arrangement with the GPI Group.
- 7.3.3 A breakdown of the remuneration and benefits paid or accrued as payable to Directors by the GPI Group for the year ended 30 June 2015, is set out in **Annexure 8** to this Circular.
- 7.3.4 The remuneration of the Directors will not be varied as a result of the Transaction.
- 7.3.5 A breakdown of the options awarded and issued for the year ended 30 June 2015, is set out in **Annexure 8** to this Circular.
- 7.3.6 The following fees have been approved for the non-executive Directors of GPI for the year ended 30 June 2016:

Fees payable to non-executive Directors for the year ended 30 June 2016	Base Fee (R)	Attendance Fee (R)	Attendance fee above minimum number of meetings (R)	Minimum number of meetings per year
Lead Independent Director	153 000	15 375	9 000	4
Directors	124 000	15 375	9 000	4
Audit and Risk Committee Chairman	35 500	24 000	–	4
Audit and Risk Committee Member	23 650	12 250	–	4
Remuneration and Nomination Committee Chairman	35 500	18 275	–	2
Remuneration and Nomination Committee Member	23 650	12 250	–	2
Social and Ethics Committee Member	–	9 000	–	2
Investment Committee Member	–	9 000	–	2

7.4. Directors' Interests in the Transaction

- 7.4.1 Save for being a Shareholder of GPI and the interest which Alan Keet and Hassen Adams had in the Excellent Meat Transaction as a result of Nadesons being an associate of theirs, no director (including any person who may have resigned as a director within the last 18 months) has any material beneficial interest, directly or indirectly in the Transaction or in any transactions that were:
- 7.4.1.1. effected by GPI during the current or immediately preceding financial year; or
- 7.4.1.2. during an earlier financial year and remain in any respect outstanding or unperformed.
- 7.4.2 Save for being a Shareholder of GPI, no Director has had any material beneficial interest, either direct or indirect, in the Transaction and no promoter or Director of GPI is or was a member of a partnership, syndicate or other association of persons that has or had such an interest.
- 7.4.3 Save for being a Shareholder of GPI, no Director has had any material beneficial interest, either direct or indirect, in the promotion of GPI. No cash or securities have been paid and no benefit has been given to any promoter within the last three years.

7.5. Service contracts of executive Directors

- 7.5.1 Each of the executive Directors has concluded service contracts with terms and conditions that are standard for such appointments, which are available for inspection in terms of paragraph 15 below.
- 7.5.2 No restraints of trade have been imposed by GPI on any Directors in respect of the business conducted by GPI and the contracts of all executive Directors are terminable on three months' notice.
- 7.5.3 The duration of each executive Director's appointment is determined by the service contracts referred to in paragraph 7.5.1 above, whilst the duration of the appointment of non-executive Directors is determined by the MOI which is also available for inspection in terms of paragraph 15 below.

8. WORKING CAPITAL STATEMENT

The Directors are of the opinion that the working capital available to the GPI Group is sufficient for the GPI Group's present working capital requirements and will, post-implementation of the Transaction be adequate for at least 12 months from the date of issue of this Circular.

9. LITIGATION STATEMENT

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the Company is aware, which may have or have over the previous 12 months had a material effect on the financial position of the GPI Group, SunWest or Worcester.

10. EXPENSES

The estimated costs of preparing and distributing this Circular, holding the General Meeting and implementing the Transaction, including the fees payable to professional advisers, are approximately R2.3 million, excluding Value Added Tax, and include the following:

		R'000
Sponsor	PSG Capital	750
Printing, publication, distribution and advertising expenses	Greymatter & Finch	376
JSE documentation fees	JSE	68
Transfer secretarial fees	Computershare	22
Independent Reporting Accountants	Ernst & Young	285
Legal Adviser	Bernardt Vukic Potash & Getz	570
Contingency		229
TOTAL ¹		2 300

Notes:

1. Other than as set out above, GPI has incurred no preliminary expenses in relation to the Transaction during the three years preceding this Circular.

11. GENERAL MEETING AND VOTING

- 11.1. A General Meeting of Shareholders will be held at 18.00 on Tuesday, 28 June 2016 at Market Hall, GrandWest Casino, Goodwood, Western Cape, to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions required to give effect to the Transaction (and specifically the GPI Disposal).
- 11.2. A notice convening the General Meeting is attached hereto and forms part of this Circular and contains the resolutions to be considered at the General Meeting. Full details of the action required by Shareholders are set out in the "Action required by Shareholders" section of this Circular.
- 11.3. The ordinary resolutions relating to the GPI Disposal set out in the Notice of General Meeting is subject to more than 50% of the votes cast by the Shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof.

12. DIRECTORS' RECOMMENDATION

- 12.1. The Directors of GPI have considered the terms and conditions of the Transaction and have considered the resolutions and are of the opinion that they are in the interests of Shareholders.
- 12.2. The Directors of GPI recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting.
- 12.3. The Directors of GPI, in their personal capacities, intend to vote the Shares held by them in favour of the resolutions to be proposed at the General Meeting.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of GPI, whose names are given in the "Corporate information" section of this Circular collectively and individually accept full responsibility for the accuracy of the information furnished relating to the GPI Group 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 this Circular contains all information required by law and the JSE Listings Requirements.

14. **ADVISERS' CONSENTS**

Each of the advisers, whose names appear on the "Corporate information" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, to the inclusion of their reports in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

15. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of GPI and at the Johannesburg office of PSG Capital from Friday, 27 May 2016, until Tuesday, 28 June 2016 (both days inclusive) –

- 15.1. the MOI of GPI and the memorandums of incorporation of its Subsidiaries;
- 15.2. the report of the Reporting Accountants on the *pro forma* financial information of the GPI Group, as reproduced in **Annexure 2**;
- 15.3. the historical financial information of SunWest for the financial years ended 30 June 2015, 30 June 2014 and 30 June 2013 as extracted from the financial information of SIL and GPI as set out in **Annexure 3**;
- 15.4. the interim financial information of SunWest for the six months ended 31 December 2015 as extracted from the financial information of SIL and GPI as set out in **Annexure 4**;
- 15.5. the historical financial information of Worcester for the financial years ended 30 June 2015, 30 June 2014 and 30 June 2013 as extracted from the financial information of SIL and GPI as set out in **Annexure 5**;
- 15.6. the interim financial information of Worcester for the six months ended 31 December 2015 as extracted from the financial information of SIL and GPI as set out in **Annexure 6**;
- 15.7. the Transaction Agreement;
- 15.8. the written consents from each of the advisers referred to in paragraph 14;
- 15.9. the executive Directors' service contracts entered into in the three years preceding the Last Practicable Date; and
- 15.10. a copy of this Circular and all annexures hereto.

SIGNED AT CAPE TOWN ON 27 MAY 2016 BY HASSEN ADAMS ON BEHALF OF ALL THE DIRECTORS OF GRAND PARADE INVESTMENTS LIMITED, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS



**Hassen Adams
Executive Chairman**

Hassen Adams
Alan Edward Keet
Dylan Pienaar
Alexander Abercrombie
Norman Victor Maharaj
Nombeko Mlambo
Colin Michael Priem
Walter Geach
Rasheed Hargey

PRO FORMA FINANCIAL INFORMATION OF THE GPI GROUP

The *pro forma* financial information for the GPI Group has been prepared to provide details of how the Transaction might have affected the financial position of the GPI Group and is provided for illustrative purposes only. The Directors of GPI are responsible for the preparation of the *pro forma* financial information. The *pro forma* statement of financial position of GPI at 31 December 2015 has been prepared on the assumption that the Transaction was effected on 31 December 2015. The *pro forma* statement of comprehensive income has been prepared on the assumption that the Transaction was effected on 1 July 2015. Because of its nature, the *pro forma* financial information may not fairly present the GPI Group's statements of financial position, comprehensive income and cash flows after the Transaction. The *pro forma* financial information has been prepared in accordance with the Company's accounting policies and the revised SAICA Guide on *Pro forma* Financial Information.

The *pro forma* financial information, as set out below, should be read in conjunction with the limited assurance report of the Independent Reporting Accountant, which is included as **Annexure 2** to this Circular.

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unadjusted and unaudited results for the six months ended 31 December 2015 R'000	Adjustments for the disposal of 10% of SunWest R'000	Adjustments for the disposal of 10% of Worcester R'000	<i>Pro forma</i> results after the Transaction R'000
Revenue	363 156	–	–	363 156
Cost of Sales	(172 143)	–	–	(172 143)
Gross Profit	191 013	–	–	191 013
Operating Costs	(215 199)	(2 195) 2	(111) 8	(217 505)
Profit from Operations	(24 186)	(2 195)	(111)	(26 492)
Equity-accounted investments	68 709	(25 616) 3	–	43 093
Profit on disposal of investment	–	185 203 4	25 811 9	211 014
Remeasurement of investment	18 687	–	–	18 687
Reversal of impairment	–	–	21 363 10	21 363
Depreciation	(22 193)	–	–	(22 193)
Amortisation	(1 090)	–	–	(1 090)
Profit before finance costs and taxation	39 927	157 392	47 063	244 382
Finance income	11 241	21 591 5	1 094 11	33 926
Finance costs	(32 095)	1 029 6	–	(31 066)
Profit before taxation	19 073	180 012	48 157	247 242
Taxation	4 879	(81 086) 7	2 827 12	(73 380)
Profit for the period	23 952	98 926	50 984	173 862
Other comprehensive income				
Unrealised fair value loss on available-for-sale investments, net of tax	(24 069)	–	–	(24 069)
Total comprehensive income for the period	(117)	98 926	50 984	149 793
<i>Profit for the period attributable to:</i>				
– Equity holders of the parent	26 750	98 926	50 984	176 660
– Non-controlling interest	(2 798)	–	–	(2 798)
	23 952	98 926	50 984	173 862
<i>Total comprehensive income attributable to:</i>				
– Equity holders of the parent	2 681	98 926	50 984	152 591
– Non-controlling interest	(2 798)	–	–	(2 798)
	(117)	98 926	50 984	149 793
Headline Earnings reconciliation				
Profit for the period	23 952	98 926	50 984	173 862
Non-controlling interest	2 798	–	–	2 798
Profit for the period attributable to equity holders of the parent	26 750	98 926	50 984	176 660
Remeasurement of investment	(17 023)	–	–	(17 023)
Profit on disposal of investment	–	(185 203)	(25 811)	(211 014)
Reversal of impairment	–	–	(21 363)	(21 363)
Loss on sale of property, plant and equipment	(83)	–	–	(83)
Tax on profit from disposal of investment	–	81 086	(2 827)	78 259
Adjusted headline and diluted adjusted headline earnings	9 644	(5 191)	983	5 436
Reconciliation of the number of shares	'000	'000	'000	'000
Shares in issue	472 971	472 971	472 971	472 971
Weighted average number of shares in issue	471 584	471 584	471 584	471 584
Diluted weighted average number of shares in issue	475 793	475 793	475 793	475 793
	CENTS	CENTS	CENTS	CENTS
Basic earnings per share	5.67	20.98	10.81	37.46
Diluted basic earnings per share	5.62	20.79	10.72	37.13
Headline earnings per share	2.05	(1.10)	0.21	1.15
Diluted headline earnings per share	2.03	(1.09)	0.21	1.14
Ordinary dividend per share	–	–	–	–

ASSUMPTIONS TO THE PRO FORMA FINANCIAL EFFECTS:

- a) The hurdle rates used to determine the cash payments, for the disposal of 10% of SunWest and Worcester respectively, have been met and no adjustment to the GPI Purchase Consideration of R675.0 million has been made. Based on the current performance of SunWest and Worcester, GPI management's view based on results to date, is that it is unlikely that there will be a significant adjustment to the GPI Purchase Consideration.
- b) The capital contribution to Worcester of R30.1 million, which took place during October 2015, is included in the unadjusted and unaudited results for the six months ended 31 December 2015; however, this has not been taken into account in the determination of the profit on sale which is recognised as an adjustment to the statement of comprehensive income as for purposes of the *pro forma* financial effects on the statement of comprehensive income the GPI Disposal is deemed to have taken place on 1 July 2015, which is prior to the date the capital contribution was made to Worcester.
- c) GPI's management is currently negotiating with its funders to restructure certain of its debt facilities and it is their intention to utilise the cash received from the GPI Disposal to reduce existing debt facilities by R172.6 million over 18 equal monthly repayments of R9.59 million thereafter. The aforementioned is subject to the approval of the relevant lenders.
- d) The CGT base cost of the 10% holding in SunWest is R208.0 million.
- e) The CGT base cost of the 10% holding in Worcester is R47.7 million.
- f) Imputed interest on deferred payments has been calculated using GPI's primary lending rate of 9.49%.
- g) Where applicable the tax rate has been assumed at 28% for income tax and 18.67% for CGT. It has also been assumed that taxes will be payable at the end of the financial year, in June 2016, and have therefore been recognised as a payable under current liabilities in the statement of financial position.
- h) The disposal of Worcester and SunWest took place on 1 July 2015 when determining the effect of the Transaction on the statement of comprehensive income.
- i) The disposal of Worcester and SunWest took place on 31 December 2015 when determining the effect of the Transaction on the statement of financial position.
- j) The breakdown of the proceeds can be analysed as follows:

	SunWest	Worcester	Total
Net transaction proceeds (tax consideration)	642 461 538	32 538 462	675 000 000
Imputed interest	(36 640 426)	(1 855 711)	(38 496 137)
Accounting consideration	605 821 112	30 682 750	636 503 863

NOTES TO THE CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME:

- 1) The "Unadjusted and unaudited results for the six months ended 31 December 2015" column has been extracted from the published unaudited interim results of GPI for the six months ended 31 December 2015.
- 2) The total transaction fees related to the disposal of the investment in SunWest, amount to R2.2 million. The transaction fees are not tax deductible as they have been considered capital in nature.
- 3) GPI classifies its investment in SunWest as a jointly controlled entity and the earnings from the investment are equity accounted in the GPI Group results. The GPI Group disposed of 10% of its investment in SunWest and as a result R25.6 million earnings from jointly controlled entities recognised during the six months to 31 December 2015 have been reversed.
- 4) A R185.2 million profit on the disposal of 10% of SunWest has been recognised, being the difference between the proceeds of R605.8 million and the proportionate cost of the investment of R420.6 million. The proceeds have been calculated as the difference between the cash received from the disposal of R642.6 million and the imputed interest of R36.8 million, refer to note 5 for the calculation of the imputed interest.
- 5) The total cash receipt from the sale of 10% of SunWest amounts to R642.6 million and will be paid as an upfront payment of R71.4 million and 16 equal monthly instalments of R35.7 million thereafter. The assumed cash receipt includes imputed interest, which is calculated by discounting the 16 deferred instalments at GPI's primary current borrowing rate of 9.49%, which amounts to R36.8 million. For the six months ended 31 December 2015, R21.6 million of interest on deferred payments and has been recognized in the statement of comprehensive income.
- 6) GPI has used its investment in SunWest as security against debt facilities of R433.3 million. As a result of the disposal of 10% of SunWest, GPI is required to reduce these debt facilities on a proportionate basis, resulting in a R172.6 million reduction in the facilities. The reduction of the facilities has resulted in a R1.0 million reduction in the interest expense during the period.
- 7) A tax expense of R81.1 million has been recognised in relation to the disposal of 10% of SunWest. The expense was calculated as the difference between the total proceeds of R642.6 million less the base cost of R208.0 million. This gave rise to a taxable capital gain of R434.6 million which was taxed at the CGT rate of 18.67%.
- 8) The total transaction fees related to the disposal of the investment in Worcester, amount to R0.1 million. The transaction fees are not tax deductible as they have been considered capital in nature.
- 9) A R25.8 million profit on the disposal of Worcester has been recognised, being the difference between the proceeds of R30.7 million and the proportionate cost of the investment of R4.9 million. The proceeds have been calculated as the difference between the cash received from the disposal of R32.5 million and the imputed interest of R1.8 million, refer to note 11 for the calculation of the imputed interest.
- 10) The investment in Worcester had previously been impaired by R21.4 million to its recoverable amount of Rnil. As a result of the disposal, and in terms of IAS 36 – Impairment of Assets, these impairment losses have been reversed as the recoverable amount is higher.
- 11) The cash received from the sale of 10% of Worcester amounts to R32.5 million and will be paid as an upfront payment of R3.7 million and 16 equal monthly instalments of R1.8 million thereafter. The assumed cash receipt includes an imputed interest, which is calculated by discounting the 16 deferred instalments at GPI's primary current borrowing rate of 9.49% and amounts to R1.7 million. For the six months ended 31 December 2015 R1.1 million of interest on deferred payments has been recognized in the statement of comprehensive income.
- 12) A tax credit of R2.8 million has been recognised in relation to the disposal of 10% of Worcester. The credit was calculated as the difference between the total proceeds of R32.5 million less the base cost of R47.7 million. This gave rise to a capital loss of R15.2 million which was taxed at the CGT rate of 18.67%.
- 13) All adjustments are expected to have a continuing effect, save for the transaction fees incurred for the implementation of the Transaction.

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unadjusted and unaudited results as at 31 December 2015 R'000	Adjustments for the disposal of 10% of SunWest R'000	1	Adjustments for the disposal of 10% of Worcester R'000	6	7	<i>Pro forma</i> results after the Transaction R'000
ASSETS							
Non-current assets	2 517 087	(408 234)		4 491			2 113 344
Investment in joint ventures	1 346 462	(408 234)	1	(20 985)	6		917 243
Associates		-		25 476	7		25 476
Available-for-sale investments	326 256						326 256
Goodwill	92 885						92 885
Investment property	84 285						84 285
Property, plant and equipment	586 281						586 281
Intangible assets	23 181						23 181
Deferred tax assets	57 737						57 737
Assets classified as held for sale	386 139						386 139
Current assets	472 092	603 625		30 571			1 106 288
Deferred proceeds	-	534 436	2	27 067	8		561 503
Inventories	86 420						86 420
Trade and other receivables	89 562						89 562
Related party loans	201 598						201 598
Cash and cash equivalents	81 325	69 189	3	3 504	9		154 018
Income tax receivable	13 187						13 187
Total Assets	3 375 318	195 391		35 062			3 605 771
EQUITY AND LIABILITIES							
Total shareholders' equity	2 345 351	114 305		37 889			2 497 545
Stated capital	859 517						859 517
Treasury shares	(65 806)						(65 806)
Accumulated profit	1 520 871	114 305	4	37 889	10		1 673 065
Available-for-sale reserve at fair value	20 995						20 995
Share-based payment reserve	9 473						9 473
Capital reserve redemption fund	301						301
Non-controlling interest	(18 130)						(18 130)
Total equity	2 327 221	114 305		37 889			2 479 415
Non-current liabilities	488 770	-		-			488 770
Preference shares	334 559						334 559
Interest-bearing borrowings	98 352						98 352
Finance lease liabilities	45 218						45 218
Provisions	706						706
Deferred tax liabilities	9 935						9 935
Liabilities associated with assets held for sale	31 379						31 379
Current liabilities	527 948	81 086		(2 827)			606 207
Trade and other payables	134 361						134 361
Provisions	9 062						9 062
Dividends payable	7 900						7 900
Preference shares	28 044						28 044
Interest-bearing borrowings	307 500						307 500
Finance lease liabilities	9 800						9 800
Related party loans	29 899						29 899
Income tax payable	1 382	81 086	5	(2 827)	11		79 641
Total Equity & Liabilities	3 375 318	195 391		35 062			3 605 771
Net asset value per share (cents)	492	24		8			524
Tangible net asset value per share (cents)	468	24		8			500

NOTES TO THE CONDENSED GROUP STATEMENT OF FINANCIAL POSITION:

- 1) The investment in SunWest is treated as an investment in a jointly controlled entity in the GPI Group results. The GPI Group disposed of 10% of its investment in SunWest and as a result the proportionate carrying value of the investment of R408.2 million was reversed.
- 2) The proceeds from the GPI Disposal are to be paid as an initial upfront payment of R71.4 million plus 16 equal monthly instalments of R35.7 million, resulting in total proceeds of R642.6 million. The deferred payments of R571.2 million include imputed interest of R36.8 million and as a result the net deferred proceeds of R534.4 million have been recognized as a receivable at 31 December 2015. Consequently, there is no *pro forma* impact on interest bearing borrowings.
- 3) The cash and cash equivalents increased by R69.2 million as a result of the disposal of the investment in SunWest. The increase is due to two instalments paid upfront of R35.7 million less transaction fees of R2.2 million.
- 4) The profit on sale of investment of R197.6 million less tax of R81.1 million and transaction fees of R2.2 million resulted in accumulated earnings increasing by R114.3 million
- 5) It is assumed that tax became due on 31 December and would only be paid during the next 6 months.
- 6) The investment in Worcester was treated as an investment in a jointly controlled entity in the GPI Group results. As a result of the sale the investment is now reclassified as an associate, over which GPI have significant influence and as a result the carrying value of R21.0 million is transferred.
- 7) As a result of the sale the carrying value of the investment in Worcester has been increased to R42.4 million by the reversal of previous impairments of R21.4 million. The proportionate carrying value of the investment of R16.7 million was then reversed due to the sale of 10%.
- 8) The proceeds from the disposal are to be paid as an initial upfront payment of R3.7 million, 16 equal monthly instalments of R1.8 million resulting in total proceeds of R32.5 million. The deferred payments of R28.9 million include imputed interest of R1.8 million and as a result the net deferred proceeds of R27.1 million have been recognized as a receivable at 31 December 2015.
- 9) The cash and cash equivalents increased by R3.5 million as a result of the disposal of the investment in Worcester. The increase is due to two instalments paid upfront of R1.8 million less transaction fees of R0.1 million.
- 10) The profit on disposal of R13.8 million, plus reversal of prior period impairment of R21.4 million together with taxation of R2.8 million and transaction fees of R0.1 million resulted in accumulated earnings increasing by R37.9 million.
- 11) It is assumed that the tax loss would be offset against the tax payable during the next 6 months.

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

20 May 2016

The Directors
Grand Parade Investments Limited
33 on Heerengracht
Foreshore
Cape Town
8001

Independent Reporting Accountant's Assurance report on the compilation of the *pro forma* financial information included in the circular of Grand Parade Investments Limited ("GPI") dated on or about 27 May 2016 ("the Circular")

To the directors of GPI ("**Directors**")

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of GPI by the Directors. The *pro forma* financial information as set out in **Annexure 1** on page 19 of the Circular relating to the sale of a 10% share in SunWest International Proprietary Limited ("**SunWest**") and sale of 10% share in Worcester Casino Proprietary Limited ("**Worcester**"), consists of the statement of comprehensive income and statement of financial position (collectively the "***pro forma* financial information**") and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the sale of SunWest on GPI's financial position as at 31 December 2015, and on GPI's financial performance for the six month period then ended, as if the corporate action or event had taken place at 31 December 2015 or at the commencement of the six month period then ended. As part of this process, information about GPI's financial position and financial performance has been extracted by the Directors from GPI's interim financial statements for the six months ended 31 December 2015. The interim financial statements were neither audited nor reviewed.

Directors' Responsibility for the *Pro Forma* Financial Information

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 5 on page 14 of the Circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information or previously disclosed *pro forma* financial information used in compiling the *pro forma* financial information included in the Circular, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a Circular is solely to illustrate the impact of a significant corporate action or event on previously reported *pro forma* financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or Transaction at 31 December 2015 or for the six months then ended would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of GPI, the corporate actions or events in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and as described in **Annexure 1**.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Christopher Clyde Sickle
Registered Auditor

HISTORICAL FINANCIAL INFORMATION OF SUNWEST FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 30 JUNE 2014 AND 30 JUNE 2013 AS EXTRACTED FROM THE FINANCIAL INFORMATION OF SIL AND GPI

GPI is a minority holder (25.1%) of SunWest and SIL is the controlling shareholder. Therefore the historical financial information of SunWest has been correctly extracted from the published unaudited interim financial results of SIL and GPI for the six month period ended 31 December 2015 and the integrated annual report of SIL and GPI for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015. This extracted historical information is the responsibility of the Directors of GPI.

EXTRACTED FROM SUN INTERNATIONAL LIMITED

SUNWEST – GrandWest & Table Bay

GrandWest

R'm	For 12 months	For 12 months	For 12 months
	ending 30 June	ending 30 June	ending 30 June
	2015	2014	2013
Revenue	2 152	2 020	1 866
EBITDA	915	833	789
Operating profit	787	723	691
Assets	- ¹	1 295	1 164
Borrowings	- ²	430	380
Liabilities	- ¹	201	177
Depreciation and amortisation	- ¹	104	94
Capital expenditure	- ¹	263	68

Note:

1. No information disclosed by SIL; and
2. Total borrowings of R971 million for GrandWest and Table Bay combined have been disclosed in unaudited financial results of SIL for the 6 month period ended 31 December 2015.

Operational Review extracted from integrated annual report of SIL for the year ended 30 June 2015

GrandWest revenue was 7% ahead of last year at R2 152 million. Excluding the insourcing of food and beverage operations, revenue increased 6.1%. Following the excellent growth in casino revenue in H1 of 10.6%, growth in H2 slowed to 1.9%, reflecting the higher base in the prior year, a slow-down in the economy and in part the impact of volatility on tables. EBITDA increased by 10% due to good cost control and despite the effective gaming taxes of 27.4% being 0.6% higher than last year. GrandWest's EBITDA margin increased 1.3% to 42.5%.

We are investing in the refurbishment or redevelopment of a number of our properties including Sun City, GrandWest and Carnival City and are also evaluating opportunities at Sibaya and Boardwalk.

In the Western Cape in May 2014 we announced a deal to restructure the shareholding in GrandWest, but this transaction has now been terminated as it could not achieve regulatory approval within the required timeframe, and agreement could not be reached to extend it on commercial terms that made sense for all the parties.

Table Bay

R'm	For 12 months	For 12 months	For 12 months
	ending 30 June	ending 30 June	ending 30 June
	2015	2014	2013
Revenue	252	233	181
EBITDA	60	50	22
Operating profit	29	23	2
Assets	- ¹	121	102
Borrowings	- ²	391	344
Liabilities	- ¹	34	31
Depreciation and amortisation	- ¹	12	11
Capital expenditure	- ¹	28	12

Note:

1. No information disclosed by SIL; and
2. Total borrowings of R971 million for GrandWest and Table Bay combined have been disclosed in unaudited financial results of SIL for the 6 month period ended 31 December 2015.

Operational Review extracted from integrated annual report of SIL for the year ended 30 June 2015

The Table Bay Hotel achieved revenue growth of 8% driven by a 9% increase in the Average Daily Rate and a 14% growth in food and beverage revenue. The decline in visitation from growth markets such as India and China was offset by an increased focus on traditional markets in Europe and the USA, with the weaker rand helping to boost tourism from these regions. Costs were well managed resulting in a 20% increase in EBITDA to R60 million.

EXTRACTED FROM GRAND PARADE INVESTMENTS LIMITED

SUNWEST

R'000	For 12 months ending 30 June	For 12 months ending 30 June	For 12 months ending 30 June
	2015	2014	2013
Revenue	2 402 223	2 250 457	2 051 094
EBITDA	943 529	852 073	791 730
Net profit after tax	515 326	464 193	440 078
Total debt excluding shareholders loans	871 068	848 558	751 072

Operational Review extracted from integrated annual report of GPI for the year ended 30 June 2015

Over the past year the South African economy has experienced a downturn and the local consumer has been under significant pressure with rising costs across all consumer goods. In addition, the local tourism market was negatively affected by the introduction of new visa regulations, biometric testing and the outbreak of the Ebola virus in West Africa. All these factors affected the local casino and luxury hotel industries very negatively, with the majority of the large casinos and luxury hotels producing poor results during the past year.

However, against the backdrop of all these negative factors, both GrandWest and the Table Bay Hotel produced strong results, which have highlighted the quality of these assets and their brands.

As a result, SunWest increased its revenue by 6.8% to R2 404.2 million, its EBITDA by 10.7% to R943.5 million and its net profit after tax by 11.1% to R515.3 million. This allowed SunWest to increase its dividends paid by 15.6% to R520.0 million during the year.

GrandWest Casino

GrandWest's revenue increased by 4.4% to R2 253.0 million (2014: R2 157.7 million) year-on-year, as a result of excellent growth of 10.6% during the first half of the year. However, the growth in the second half of the year slowed to 1.9%, reflecting the higher base in the prior year, a slow-down in the economy and in part impacted by the volatility on tables. EBITDA increased by 3.7% to R915.4 million (2014: R882.7 million) due to good cost control and despite the effective gaming taxes of 27.4% being 0.6% higher than last year. The EBITDA margin increased by 1.3% to 42.5% (2014: 41.2%).

Table Bay Hotel

The Table Bay Hotel increased its revenue by 8.3% to R252.5 million (2014: R233.1 million) year-on-year as a result of a 9.0% increase in the Average Daily Rate and a 14% growth in food and beverage revenue. The decline in visitation from growth markets such as India and China was offset by an increased focus on traditional markets in Europe and the USA, with the weaker rand helping to boost tourism from these regions. Costs were well managed, resulting in a 21.4% increase in EBITDA to R60.2 million (2014: R49.6 million).

Subsequent to year-end, the transaction to sell the GPI Group's 25.1% investment in SunWest and 25.1% investment in Golden Valley was cancelled by all the respective parties to the transaction. The cancellation confirmed that both these investment no longer met the criteria to be recognised as held-for-sale and the results have been restated as if the investments had never been recognised as held-for-sale, as per IFRS.

On 3 July 2015, GPI concluded a termination agreement with SIL and Tsogo which cancelled the transaction to dispose of GPI's 25.1% holding in SunWest and its 25.1% holding in Golden Valley. The cancellation of the disposal confirmed that both the investments did not meet the held-for-sale criteria at year-end. Therefore both the investments have been recognised in the jointly controlled entities line under non-current assets and the financials have been restated as if the investments had never been classified as held-for-sale, as required by IFRS.

INTERIM FINANCIAL INFORMATION OF SUNWEST FOR THE SIX MONTHS ENDED 31 DECEMBER 2015 AS EXTRACTED FROM THE FINANCIAL INFORMATION OF SIL AND GPI

GPI is a minority holder (25.1%) of SunWest and SIL is the controlling shareholder. SIL has taken the view that the information contained in this Circular should be presented materially on the same basis as presented to SIL shareholders in SIL's annual financial statements for the years ended 30 June 2013, 2014 and 2015 and the interim financial statements for the six months ended 31 December 2015. Therefore the historical financial information of SunWest has been correctly extracted from the published unaudited interim financial results of SIL and GPI for the six month period ended 31 December 2015 and the integrated annual report of SIL and GPI for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015. This extracted interim information is the responsibility of the Directors of GPI.

EXTRACTED FROM SUN INTERNATIONAL LIMITED

SUNWEST – GrandWest & Table Bay

GrandWest

R'm	For 6 months ending 31 December 2015
Revenue	999
EBITDA	408
Operating profit	356
Assets	- 1
Borrowings	- 2
Liabilities	- 1
Depreciation and amortisation	- 1
Capital expenditure	- 1

Note:

1. No information disclosed by SIL; and
2. Total borrowings of R971 million for GrandWest and Table Bay combined have been disclosed in unaudited financial results of SIL for the 6 month period ended 31 December 2015.

Operational Review extracted from unaudited financial results of SIL for the 6 month period ended 31 December 2015

GrandWest revenue was up 2.4% with gaming revenue down 0.1%, partly reflecting a higher base in the prior period as well as a reduction in play in the Prive. Revenue from the main casino floor was up 5%. Despite the lower gaming revenues and inflationary cost increases, cost saving initiative contained the decrease in EBITDA to 3% (R455 million).

Table Bay

R'm	For 6 months ending 31 December 2015
Revenue	143
EBITDA	38
Operating profit	20
Assets	- 1
Borrowings	- 2
Liabilities	- 1
Depreciation and amortisation	- 1
Capital expenditure	- 1

Note:

1. No information disclosed by SIL.
2. Total borrowings of R971 million for GrandWest and Table Bay combined have been disclosed in unaudited financial results of SIL for the 6 month period ended 31 December 2015.

Operational Review extracted from unaudited financial results of SIL for the 6 month period ended 31 December 2015

The Table Bay Hotel achieved revenue growth of 20.2% to R143 million. The hotel benefited from the weak Rand and traditional source markets but there is still room for improvement from emerging source markets if the visa restrictions are eased. Occupancy increases 6.1% to 68.8% and the average daily rate was up 11%. EBITDA increased by 26.7% to R38 million and the EBITDA margin improved 1.4% to 26.2%.

EXTRACTED FROM GRAND PARADE INVESTMENTS LIMITED**SUNWEST**

R'm	For 6 months ending 31 December 2015
Revenue	- 1
EBITDA	- 1
Net profit after tax	- 1
Total debt excluding shareholders loans	- 1

Note:

1. No information disclosed by GPI, as detailed information on these investments were not required by IAS 34.

Operational Review extracted from unaudited financial results of SIL for the 6 month period ended 31 December 2015

SunWest increased its revenue by 4.1% to R1.27 billion as a result of a 2.4% increase in GrandWest's revenue and a 20.2% increase in Table Bay's revenue. Its net profit after tax reduced by 1.6% to R256.1 million due to an increase in finance costs.

Despite the decrease in earnings, SunWest kept its ordinary dividend constant for the period at R260.0 million and also declared a special dividend of R120.0 million.

GPI recognised R64.3 million in equity-accounted earnings for the period and received R95.4 million in dividends.

HISTORICAL FINANCIAL INFORMATION OF WORCESTER FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 30 JUNE 2014 AND 30 JUNE 2013 AS EXTRACTED FROM THE FINANCIAL INFORMATION OF SIL AND GPI

GPI is a minority holder (25.1%) of Worcester and SIL is the controlling shareholder. Therefore the historical financial information of Worcester has been correctly extracted from the published unaudited interim financial results of SIL and GPI for the six month period ended 31 December 2015 and the integrated annual report of SIL and GPI for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015. This extracted historical information is the responsibility of the Directors of GPI.

EXTRACTED FROM SUN INTERNATIONAL LIMITED

WORCESTER – Golden Valley

R'm	For 12 months	For 12 months	For 12 months
	ending 30 June	ending 30 June	ending 30 June
	2015	2014	2013
Revenue	149	144	128
EBITDA	26	27	28
Operating profit	10	13	14
Assets	- 1	187	179
Borrowings	- 1	128	135
Liabilities	- 1	28	17
Depreciation and amortisation	- 1	13	14
Capital expenditure	- 1	26	8

Note:

1. No information disclosed by SIL.

No operational review information on Worcester has historically been disclosed by SIL.

EXTRACTED FROM GRAND PARADE INVESTMENTS LIMITED

Worcester

R'000	For 12 months	For 12 months	For 12 months
	ending 30 June	ending 30 June	ending 30 June
	2015	2014	2013
Revenue	149 135	143 487	133 129 ¹
EBITDA	25 239 ²	24 714 ²	27 930
Net profit/(loss) after tax	(2 858)	113	1 406
Total debt excluding shareholders loans	135 320	127 545	134 519

Note:

1. This was shown excluding promotional allowances.
2. In the books of SIL EBITDA is disclosed excluding rental expenses and this is included the EBITDA disclosed by GPI.

Operational Review extracted from integrated annual report of GPI for the year ended 30 June 2015

The Worcester region's economy, where the Worcester casino is situated, remained stable during the past year, which has resulted in low growth for the region. This affected the performance of the casino, which showed a 3.9% increase in its revenue to R149.1 million (2014: R143.5 million) year-on-year. Costs were controlled as far as possible and the EBITDA increased by 2.1% year-on-year to R25.2 million (2014: R24.7 million).

New initiatives are being looked at to drive feet into the casino, which include creating a high end slots area in the casino, an outdoor facility and hosting poker and blackjack tournaments at the casino. Alternatives are being considered regarding the current debt structure in order to reduce the interest burden on the casino.

The casino holds significant strategic value for GPI in light of the continued debate around the relocation of a second Western Cape casino licence to the Cape Metropole. In the event of a relocation happening, the Worcester casino would be eligible to relocate.

Subsequent to year-end, the transaction to sell the GPI Group's 25.1% investment in SunWest and 25.1% investment in Golden Valley was cancelled by all the respective parties to the transaction. The cancellation confirmed that both these investment no longer met the criteria to be recognised as held-for-sale and the results have been restated as if the investments had never been recognised as held-for-sale, as per IFRS.

On 3 July 2015, GPI concluded a termination agreement with SIL and Tsogo which cancelled the transaction to dispose of GPI's 25.1% holding in SunWest and its 25.1% holding in Golden Valley. The cancellation of the disposal confirmed that both the investments did not meet the held-for-sale criteria at year-end. Therefore both the investments have been recognised in the jointly controlled entities line under non-current assets and the financials have been restated as if the investments had never been classified as held-for-sale, as required by IFRS.

INTERIM FINANCIAL INFORMATION OF WORCESTER FOR THE SIX MONTHS ENDED 31 DECEMBER 2015 AS EXTRACTED FROM THE FINANCIAL INFORMATION OF SIL AND GPI

GPI is a minority holder (25.1%) of Worcester and SIL is the controlling shareholder. SIL has taken the view that the information contained in this Circular should be presented materially on the same basis as presented to SIL shareholders in SIL's annual financial statements for the years ended 30 June 2013, 2014 and 2015 and the interim financial statements for the six months ended 31 December 2015. Therefore the historical financial information of Worcester has been correctly extracted from the published unaudited interim financial results of SIL and GPI for the six month period ended 31 December 2015 and the integrated annual report of SIL and GPI for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015. This extracted interim information is the responsibility of the Directors of GPI.

EXTRACTED FROM SUN INTERNATIONAL LIMITED

WORCESTER – Golden Valley

R'm	For 6 months ending 31 December 2015
Revenue	83
EBITDA	13
Operating profit	6
Assets	-1
Borrowings	15
Liabilities	-1
Depreciation and amortisation	-1
Capital expenditure	-1

Note:

1. No information disclosed SIL.

No operational review information on Worcester has historically been disclosed by SIL.

EXTRACTED FROM GRAND PARADE INVESTMENTS LIMITED

Worcester

R'm	For 6 months ending 31 December 2015
Revenue	-1
EBITDA	-1
Net profit/(loss) after tax	-1
Total debt excluding shareholders loans	-1

Note:

1. No information disclosed by GPI, as detailed information on these investments were not required by IAS 34.
2. This was shown excluding promotional allowances.
3. In the books of SIL EBITDA is disclosed excluding rental expenses and this is included the EBITDA disclosed by GPI.

Operational Review extracted from unaudited financial results of GPI for the 6 month period ended 31 December 2015

Worcester's revenue increased by 13% to R82.8 million and its EBITDA improved by 39% to R13.4 million. Finance charges decreased by 15% as a result of a reduction in its debt facilities, which resulted in a net profit after tax of R0.1 million. Worcester raised R120.0 million via a rights issue that GPI participated in and contributed R30.1 million to – a contribution which is representative of their proportional share in Worcester. The proceeds from the rights issue were used to reduce the debt facilities in the business.

GPI recognised its R30.1 million capital contribution on the statement of financial position and R9.1 million of previously unrecognised losses (relating to Worcester) in profit or loss, which reduced the carrying value of Worcester to R21.0 million.

DETAILS OF DIRECTORS OF THE MAJOR SUBSIDIARIES OF GPI

The full names, ages, business address and capacities of the directors of the Major Subsidiaries of GPI are outlined below:

GRAND CASINO INVESTMENTS PROPRIETARY LIMITED

Full name	Age	Capacity	Business Address
Hassen Adams	63	Executive Chairman	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001
Alan Edward Keet	47	Non-executive director	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001

Note:

1. All directors are South African citizens.
2. None of the directors are partners with unlimited liability.

BURGER KING SOUTH AFRICA PROPRIETARY LIMITED

Full name	Age	Capacity	Business Address
Hassen Adams	63	Executive director	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001
Alan Edward Keet	47	Executive director	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001
Bruno Lino de Souza	38	Non-executive director	10 Zahlerweg, Switzerland, 6300

Note:

1. Bruno Lino de Souza is a foreigner.
2. All other directors are South African citizens.
3. None of the directors are partners with unlimited liability.

MAC BROTHERS CATERING EQUIPMENT PROPRIETARY LIMITED

Full name	Age	Capacity	Business Address
Derek Philip Mc Mahon	55	Executive director	32-34 Benbow Avenue, Epping 1, 7460
Alan Edward Keet	47	Non-executive director	11th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001

Note:

1. All directors are South African citizens.
2. None of the directors are partners with unlimited liability.

DIRECTORS' REMUNERATION

Part A:

A breakdown of the remuneration and benefits paid or accrued as payable to Directors by the GPI Group for the year ended 30 June 2015, is set out below:

	Salary (R'000)	Short-term benefits (R'000) ¹	Long-term benefits (R'000)	Bonuses and performance related payments (R'000)	Directors' fees (R'000)	Audit and risk committee (R'000)	Remune- ration and nomination committee (R'000)	Investment committee (R'000)	Total remuneration (R'000)	Share- based payment expense (R'000)
Hassen Adams	3 043	615	457	12 500	-	-	-	-	16 615	1 482
Alexander Abercrombie ²	1 009	51	143	2 335	-	-	-	-	3 538	37
Alan Edward Keet	1 948	90	292	6 250	-	-	-	-	8 580	881
Sukena Petersen ³	296	22	44	292	-	-	-	-	654	-
Dylan Pienaar ⁴	638	-	96	750	-	-	-	-	1 484	271
Sub-total	6 934	778	1 032	22 127	-	-	-	-	30 871	2 671
Anthony William Bedford ⁵	-	-	-	-	104	-	5	-	109	-
Alexander Abercrombie ²	-	-	-	-	43	-	28	-	71	-
Norman Victor Maharaj	-	-	-	-	214	49	33	-	296	-
Nombeko Mlambo	-	-	-	-	109	-	25	-	215	-
Collin Michael Priem	-	-	-	-	239	90	33	-	362	-
Walter Geach	-	-	-	-	177	49	-	-	226	-
Rasheed Hargey ⁶	-	-	-	-	-	-	-	-	-	-
Sub-total	6 934	778	1 032	22 127	967	188	124	-	1 279	-
Total					967	188	124	-	32 150	2 671

Notes:

- Short-term benefits include medical aid contributions, travel allowances and fringe benefits on interest-free loans. No contributions are made under any pension scheme.
- Alex Abercrombie retired as an executive Director and was appointed as a non-executive Director on 27 February 2015.
- Sukena Petersen resigned as a Director on 1 November 2014.
- Dylan Pienaar was appointed as an executive Director on 1 November 2014.
- Anthony William Bedford resigned as a Director on 1 February 2015.
- Rasheed Hargey was appointed as a non-executive Director on 1 September 2015.

Part B:

A breakdown of the options awarded and issued for the year ended 30 June 2015, is set out below.

Director	Number of unvested share options 30 June 2014 ('000)	Granted during the year (R'000)	Vested during the year (R'000)	Forfeited during the year (R'000)	Average market price per share on vesting date (R)	Vesting price per share (R)	Date granted ¹	Number of unvested share options 30 June 2015 ('000)
Hassen Adams	4 501	-	-	-	-	3.61	1 Sept 2013	4 501
Alan Edward Keet	2 674	-	-	-	-	3.61	1 Sept 2013	2 674
Dylan Pienaar	823	-	-	-	-	3.61	1 Sept 2013	823
Total	7 998	-	-	-	-			7 998

Notes:

1. In terms of the trust deed regulating the GPI Share Incentive Trust, Shares awarded under the GPI Share Incentive Trust vest over a five year period from the grant date, namely:
 25% thereof as at the second anniversary of the option grant date;
 25% thereof as at the third anniversary of the option grant date;
 25% thereof as at the fourth anniversary of the option grant date; and
 25% thereof as at the fifth anniversary of the option grant date.

MATERIAL BORROWINGS OF THE GPI GROUP

PART A: DETAILS OF PREFERENCE SHARES BY GPI AND ITS SUBSIDIARIES

Lender/ Subscriber	Issuer	Reason for issue (acquisition of assets or other)	Number of preference shares issued	Loan Amount	Interest rate	Terms of repayment/ redemption/date on which must be redeemed	Security furnished	Balance owing on the Last Practicable Date
The Standard Bank of South Africa Limited **	GPI	Acquisition of SunWest Equity	66 597 cumulative redeemable preference shares (<i>Preference Shares</i> – <i>Standard Bank/Depfin</i> (SunWest))	R66 596 500	90.00% of Prime	Capital and interest repayments semi-annually 31 March 2018	1 257 400 ordinary shares in SunWest	R52 440 731
Depfin Proprietary Limited **	GPI	Acquisition of SunWest Equity	66 596 cumulative redeemable preference shares (<i>Preference Shares</i> – <i>Standard Bank/Depfin</i> (SunWest))	R66 596 500	90.00% of Prime	Capital and interest repayments semi-annually 31 March 2018	1 257 400 ordinary shares in SunWest	R52 440 731
The Standard Bank of South Africa Limited	GPI	Acquisition of Spur Corporation Equity	90 000 redeemable A-preference shares	R90 000 000	95.00% of Prime (Reduces to 90.00% of Prime when market capitalisation of the GPI Group's interest in Spur Corporation is greater than four times the outstanding balance.)	Capital and interest repayments semi-annually 9 000 shares on 30 October 2017 9 000 shares on 30 October 2018 72 328 shares on 30 October 2019	10 848 093 ordinary shares in Spur Corporation and GPI guarantee	R80 021 796
The Standard Bank of South Africa Limited	GPI	Acquisition of Spur Corporation Equity	60 000 redeemable B-preference shares	R60 000 000	80.00% of Prime	Capital and interest repayments, with mandatory redemptions required to maintain the total balance outstanding below R78.0 million	GPI Guarantee	R65 267 025
Spur Corporation Limited	GPI	Acquisition of Spur Corporation Equity	72 328 redeemable C-preference shares	R72 328 000	90.00% of Prime	31 October 2019 Capital and interest repayments 31 October 2019	A reversionary cession over the Spur Corporation shares ceded to Standard Bank as security for the A preference shares	R80 415 260

* None of the preference shares listed above are convertible into ordinary shares of any company forming part of the Group.

PART B: DETAILS OF MATERIAL LOANS TO GPI AND ITS SUBSIDIARIES

Lender	Borrower	Type of Loan	Reason for loan (acquisition of assets or other)	Loan Amount	Interest Rate	Terms of repayment (i.e. interest only repayments/capital and interest repayments/no repayments)	Security furnished	Balance owing on the Last Practicable Date
Date upon which loan must be settled								
Mercantile Bank Limited	Mac Brothers Catering Equipment	Finance lease	Finance lease for manufacturing plant	R10 350 954	Prime less 0.25%	Capital and Interest repayments 30 June 2020	Manufacturing Plant	R9 148 513
The Standard Bank of South Africa Limited	GF Meat Plant	Finance lease	Finance lease for food processing equipment	R40 750 000 (credit facility)	Prime less 1.50%	Monthly capital and interest repayments	Leased food processing equipment	R39 655 139
				R40 647 803 (principal debt)		31 January 2020	Suretyship by Burger King SA and Grand Foods	
				R49 389 051 (total debt)				
Sanlam Life Insurance Limited	GPI Properties	Term loan 1	Acquisition of immovable property	R75 000 000	JIBAR plus a margin of 3.15%	Interest payable on 31 March, 30 June, 30 September and 31 December of each year until 31 December 2020	Ceded all present and future rights and interest of the property	R50 000 000
Sanlam Life Insurance Limited	GPI Properties	Term loan 2	Acquisition of immovable property	R30 000 000	JIBAR plus a margin of 2.5%	Interest payable on 31 March, 30 June, 30 September and 31 December of each year until 31 December 2020	Ceded all present and future rights and interest of the property	R54 375 000
						Capital repaid by 26 January 2021		
						Capital payable on 1 September, 1 December, 1 March and 1 June of each year until 1 June 2023		
Sanlam Life Insurance Limited	GPI Properties	Term loan 3	Acquisition of immovable property	R30 000 000	JIBAR plus a margin of 3%	Interest payable on 31 March, 30 June, 30 September and 31 December of each year until 31 December 2020	Ceded all present and future rights and interest of the property	R30 000 000
Nedbank Limited	BKSA	Over Draft Facility	Working capital	R50 000 000	Prime less 0.75%	Capital repayable by 26 January 2021	Equity covenant of four times the facility	nil
The Standard Bank of South Africa Limited **	GPI	Credit Facility	Acquisition of BKSA assets and working capital provided via a shareholder loan	R300 000 000	JIBAR + 2.500%	Facility reviewed annually on a credit intervention basis	1 257 400 ordinary shares in SunWest	R300 000 000
						Interest repayable monthly and capital repayable on 30 June 2016		

* None of the loans listed above are convertible into ordinary shares of any company forming part of the Group.

** GPI will use the proceeds received from the disposals to repay the R300 million credit facility with The Standard Bank of South Africa Limited, to redeem the R66.6 million preference shares issued to The Standard Bank of South Africa Limited and to redeem the R66.6 million preference shares issued to Depfin Proprietary Limited.



GRAND PARADE
INVESTMENTS LIMITED

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 that a General Meeting of GPI Shareholders will be held at will be held at 18:00 on Tuesday, 28 June 2016 at Market Hall, GrandWest Casino, Goodwood, Western Cape.

The purpose of the General Meeting is to consider and, if deemed fit, to approve, with or without modification, the resolutions set out in this Notice of General Meeting.

Note:

- *The definitions and interpretation commencing on page 5 of the Circular to which this Notice of General Meeting is attached, apply mutatis mutandis to this notice and to the resolutions set out below.*
- *For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.*
- *The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 20 May 2016.*

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE GPI DISPOSAL

"RESOLVED AS AN ORDINARY RESOLUTION in accordance with the provisions of section 9.20 of the JSE Listings Requirements, that the GPI Disposal be and is hereby approved by Shareholders and that the Company be and is hereby authorised to implement the GPI Disposal on the terms more fully set out in the Transaction Agreement, the detail of which has been included in the Circular and copies of which have been made available for inspection by Shareholders."

Reason for and effect of Ordinary Resolution Number 1

In terms of the JSE Listings Requirements, the GPI Disposal is a category 1 transaction and requires the approval of the Shareholders by way of an ordinary resolution.

The effect of Ordinary Resolution Number 1, if passed by Shareholders, will be that the Company will have the necessary authority in terms of the JSE Listings Requirements to implement the GPI Disposal in accordance with its terms.

ORDINARY RESOLUTION NUMBER 2 – AUTHORITY OF DIRECTORS

"RESOLVED AS AN ORDINARY RESOLUTION that any Director of the Company and/or the Company Secretary be and is hereby authorised to do all such things and sign all such documentation as are necessary to give effect to Ordinary Resolution Number 1, hereby ratifying and confirming all such things already done and documentation already signed."

Reason for and effect of Ordinary Resolution Number 2

The reason for Ordinary Resolution Number 2 is for Shareholders to authorise the parties referred to in Ordinary Resolution Number 2 to do all things and sign all documentation as is required to give effect to and implement the approvals granted by the Shareholders at the General Meeting.

The effect of Ordinary Resolution Number 2 if passed by the requisite majority of Shareholders will be that the aforementioned parties will be granted the aforementioned authority to act on behalf of Shareholders and, to the extent that they may have already acted on behalf of Shareholders in any manner as contemplated by Ordinary Resolution Number 2, any such actions will be ratified.

VOTING AND PROXIES

The date on which Shareholders must be recorded in the Register for purposes of being entitled to receive this Notice of General Meeting is Friday, 20 May 2016.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting, is Friday, 17 June 2016. The last day to trade in order to be entitled to attend and vote at the General Meeting, is Thursday, 9 June 2016.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants may be required to provide proof of identification to the reasonable satisfaction of the chairman of the General Meeting and

must accordingly bring a copy of their identity document, passport or drivers' license to the General 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.

A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of Certificated Shareholders and Dematerialised Shareholders with Own-Name Registration, a Form of Proxy (*yellow*) is attached hereto. Completion of a Form of Proxy will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

Duly completed Forms of Proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries at the address given below by not later than 18:00 on Friday, 24 June 2016.

Dematerialised Shareholders without Own-Name Registration who wish to attend the General Meeting in person should request their CSDP or Broker to provide them with the necessary letter of representation in terms of their Custody Agreement with their CSDP or Broker. Dematerialised Shareholders without Own-Name Registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP or Broker of their voting instructions. Dematerialised Shareholders without Own-Name Registration should contact their CSDP or Broker with regard to the cut-off time for their voting instructions.

SIGNED AT CAPE TOWN ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY ON 27 MAY 2016

By order of the board

A handwritten signature in black ink, appearing to read 'H Adams', written in a cursive style.

H Adams
Chairman

Registered address

33 on Heerengracht
Foreshore
Cape Town, 8001
(PO Box 6563, Roggebaai, 8012)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



GRAND PARADE
INVESTMENTS LIMITED

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

**TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS
WITH OWN-NAME REGISTRATION ONLY**

For use by Shareholders at the General Meeting of the Company, to be held at 18:00 on Tuesday, 28 June 2016 at Market Hall, GrandWest Casino, Goodwood, Western Cape, or any adjourned or postponed meeting.

The definitions and interpretation commencing on page 5 of the Circular to which this Form of Proxy is attached ("the Circular") apply mutatis mutandis to this Form of Proxy.

If you are a Dematerialised Shareholder without Own-Name Registration you must not complete this Form of Proxy but must instruct your CSDP or Broker as to how you wish to vote. This must be done in terms of the Custody Agreement between you and your CSDP or Broker.

I/We (Please PRINT names in full) _____

of (address) _____

Telephone number _____ Cellphone number _____

e-mail address _____

being the holder(s) of _____ Certificated Shares or Dematerialised Shares with Own-Name Registration do hereby appoint (see notes 1 and 2):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairman of the General Meeting

as my/our proxy to attend, speak and vote for me/us at the General Meeting (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the 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 instruction (see notes):

	For*	Against*	Abstain*
Ordinary Resolution Number 1 Approval of the GPI Disposal			
Ordinary Resolution Number 2 Authority of Directors and/or the Company Secretary			

* One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided.

Signed at: _____ on _____ 2016

Signature _____

Capacity of signatory (where applicable) _____

Note: Authority of signatory to be attached – see notes 8 and 9.

Assisted by me (where applicable) _____

Full name _____

Capacity _____

Signature _____

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- A shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a Shareholders' meeting on behalf of such shareholder.
- A Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.
- Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.
- Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.
- If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.
- A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.
- If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.

Notes:

1. Each Shareholder is entitled to appoint 1 (one) (or more) proxies (none of whom need be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.
2. A 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 General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the Shareholder's votes exercisable at the meeting.
4. To be valid, completed Forms of Proxy must be received by the Transfer Secretaries, namely, Computershare Investor Services Proprietary Limited, at any of the addresses below by not later than 18:00 on Friday, 24 June 2016:
 - By telefax: 011 688 5238;
 - By e-mail: proxy@computershare.co.za;
 - By hand: Ground Floor, 70 Marshall Street, Johannesburg, 2001;
 - By post: PO Box 61051, Marshalltown, 2107 (Note that postal delivery by the due date is at the risk of the Shareholder).
5. 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 do so.
6. The chairman of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of the Company.
7. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by the Company or the Transfer Secretaries.
9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered by the Company or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this Form of Proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
12. Dematerialised Shareholders without Own Name Registration and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the Custody Agreement between the Shareholder and his/her CSDP or Broker.
13. This Form of Proxy shall be valid at any resumption of an adjourned meeting to which it relates although this Form of Proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This Form of Proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.

Registered address

33 on Heerengracht
Foreshore
Cape Town, 8001
(PO Box 6563, Roggebaai, 8012)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

