

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this circular have been used in this front cover.

If you are in any doubt as to the action you should take, please consult your CSDP, stockbroker, banker, legal advisor, accountant or other professional advisor immediately.

Action required

If you have disposed of all your shares in Hospitality, then this circular should be handed to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Hospitality shareholders are referred to page 3 of this circular, which sets out the detailed action required of them in respect of this circular.

Hospitality does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the details of this circular.

This circular is issued in compliance with the Listings Requirements, for the purpose of providing information with regards to Hospitality.

The rights that are represented by the form of instruction in respect of the letters of allocation are valuable and may be sold on the JSE. Letters of allocation can, however, only be traded in dematerialised form and accordingly, all letters of allocation have been issued in dematerialised form.

Hospitality shareholders will have the right to apply for any excess rights offer shares not taken up by other shareholders subject to such rights being transferable upon renunciation of the letters of allocation, and any such excess shares will be attributed equitably. In this regard, the attention of shareholders is drawn to paragraph 4 of this circular which sets out in detail the basis on which excess share applications will be attributed.

The rights offer shares, upon their issue, will rank *pari passu* with all other shares of the same class.

There are no conversion or redemption provisions relating to the rights offer shares.

The allocation of rights offer shares will be such that only whole numbers of rights offer shares will be issued and shareholders will be entitled to rounded numbers of rights offer shares based on the conventional rounding principle (as set out in **Annexure 3** to this circular).

The rights offer may be affected by the laws of the relevant jurisdictions of foreign shareholders. Such foreign shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this circular that may affect them, including the rights offer. It is the responsibility of any foreign shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the rights offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The rights offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the exchange control regulations. Any foreign shareholder who is in doubt as to his position, including without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay. In this regard, the attention of foreign shareholders is drawn to paragraph 15 of this circular which sets out in detail the position of foreign shareholders.



HOSPITALITY PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2005/014211/06)

JSE share code: HPB ISIN: ZAE000214656

(Approved as a REIT by the JSE)

("Hospitality" or "the Company")

CIRCULAR TO HOSPITALITY SHAREHOLDERS

relating to:

- a fully committed rights offer to raise R1.0 billion through the issue of 71 428 571 new Hospitality shares at an issue price of R14.00 each in the ratio of 21.76820 new Hospitality shares for every 100 Hospitality shares held on Friday, 21 July 2017;

and enclosing:

- a form of instruction for Hospitality shareholders (for use by certificated shareholders only).

Rights offer opens at 09:00 on Monday, 24 July 2017

Rights offer closes at 12:00 on Friday, 4 August 2017

Corporate advisor and sponsor

JAVACAPITAL

Date of issue: Tuesday, 18 July 2017

This circular is only available in English. Copies of this circular may be obtained at the registered office of the Company, being The Zone 2, Loft Offices East Wing, 2nd Floor, Cnr Oxford Road from Thursday, 20 July 2017 to Friday, 4 August 2017 or on the Company's website www.hpf.co.za from Tuesday, 18 July 2017.

CORPORATE INFORMATION

Company secretary and registered office

Laurinda Rosalind (Rosa) van Onselen
Diploma in Law (Paralegal)
CIS : Management and Administration
HPF Management Proprietary Limited
(Registration number 2009/021472/07)
The Zone, Phase 2
2nd Floor, Loft Offices East Wing
Corner Oxford Road and Tyrwhitt Avenue
Johannesburg, 2196
(PO Box 522195, Saxonwold, 2131)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(PO Box 61051, Marshalltown, 2107)

Place and date of incorporation of Hospitality

Incorporated in the Republic of South Africa on
10 May 2005

Corporate advisor to Hospitality

Java Capital Proprietary Limited
(Registration number 2002/031862/07)
6A Sandown Valley Crescent
Sandown
Sandton, 2121
(PO Box 2087, Parklands, 2121)

Sponsor to Hospitality

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandown
Sandton, 2196
(PO Box 2087, Parklands, 2121)

Underwriter

Southern Sun Hotels Proprietary Limited
(Registration number 2002/006356/07)
Palazzo Towers East
Montecasino Boulevard
Fourways, 2055
(Private Bag X200, Bryanston, 2021)

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IMPORTANT DATES AND TIMES

2017

Declaration date announcement in respect of the rights offer released on SENS	Tuesday, 11 July
Declaration date announcement in respect if the rights offer published in the press	Wednesday, 12 July
Finalisation date announcement in respect of the rights offer released on SENS	Thursday, 13 July
Finalisation date announcement in respect of the rights offer published in the press	Friday, 14 July
Last day to trade in Hospitality shares in order to participate in the rights offer	Tuesday, 18 July
Rights offer circular published on the Company's website	Tuesday, 18 July
Listing and trading of letters of allocation on the JSE under JSE code: "HPBN" and ISIN: ZAE000243994	Wednesday, 19 July
Hospitality shares commence trading on the JSE <i>ex</i> -rights offer entitlement	Wednesday, 19 July
Rights offer circular and form of instruction posted to certificated shareholders	Thursday, 20 July
Record date for determination of shareholders entitled to participate in the rights offer (initial record date)	Friday, 21 July
Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their entitlement	Monday, 24 July
Certificated shareholders on the register will have their entitlement credited to their accounts held with the transfer secretaries	Monday, 24 July
Rights offer opens at 09:00	Monday, 24 July
Rights offer circular posted to dematerialised shareholders who have elected to receive documents in hard copy	Tuesday, 25 July
Last day to trade letters of allocation on the JSE	Tuesday, 1 August
In respect of qualifying certificated shareholders wishing to sell all or some of their letters of allocation, forms of instruction to be lodged with the transfer secretaries by 12:00 on	Tuesday, 1 August
Rights offer shares listed and trading therein commences at 09:00 on the JSE	Wednesday, 2 August
Rights offer closes at 12:00	Friday, 4 August
In respect of certificated shareholders wishing to exercise all or some of their rights, payment to be made and forms of instruction to be lodged with transfer secretaries by 12:00 on	Friday, 4 August
Record date for letters of allocation (final record date)	Friday, 4 August
New Hospitality shares issued	Monday, 7 August
Dematerialised shareholders' accounts updated and debited by CSDP or broker (in respect of entitlements to rights offer shares)	Monday, 7 August
Certificates posted to certificated shareholders (in respect of the rights offer shares)	Monday, 7 August
Results of rights offer announced on SENS	Monday, 7 August
Results of rights offer announced in the press	Tuesday, 8 August
Refunds (if any) to certificated shareholders in respect of unsuccessful excess share applications made	Thursday, 10 August
Dematerialised shareholders' accounts updated and debited by their CSDP or broker (in respect of successful excess share applications)	Thursday, 10 August

Notes:

1. All references to dates and times are to local dates and times in South Africa.
2. Dematerialised shareholders are required to inform their CSDP or broker of their instructions in terms of the rights offer in the manner and time stipulated in the agreement governing the relationship between the shareholder and its CSDP or broker.
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 19 July 2017 and Friday, 21 July 2017, both days inclusive.
4. Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their rights and certificated shareholders will have their rights credited to their accounts at Computershare.
5. CSDPs effect payment in respect of dematerialised shareholders on a delivery-versus-payment method.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this circular apply to this section.

1. DEMATERIALISED SHAREHOLDERS

If you hold Hospitality shares in dematerialised form (including where you have elected own-name registration) you will not receive a printed form of instruction.

Your CSDP or broker will contact you to ascertain:

- whether you wish to follow all or some of your rights in terms of the rights offer and in respect of how many rights offer shares;
- whether you wish your CSDP or broker to endeavour to procure the sale of your rights on the JSE on your behalf and if so, in respect of how many rights;
- whether you wish to renounce your rights and if so, how many rights you wish to renounce and the details of the renouncee; or
- whether you wish for your rights in respect of the rights offer to lapse.

Your CSDP or broker will credit your account with the number of rights to which you are entitled in terms of the rights offer.

If you do not hear from your CSDP or broker, you should contact them and furnish them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the custody agreement entered into between you and them.

2. CERTIFICATED SHAREHOLDERS

A form of instruction is enclosed for use by certificated shareholders only. The rights in respect of such form are negotiable and can be sold on the JSE.

If you are a qualifying shareholder holding certificated shares and wish to subscribe for all or part of your entitlement in terms of the enclosed form of instruction, you must complete the enclosed form of instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rand in the form of a bank-guaranteed cheque or bankers' draft or EFT swift reference number (EFT to be made into the designated bank account, details of which are available from the corporate actions department of the transfer secretaries +27 (0) 861 100 634), with the transfer secretaries as follows:

By hand to:

Hospitality Property Fund Limited – Rights offer
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

By post to:

Computershare Investor Services
Proprietary Limited
PO Box 61763
Marshalltown
2107

By electronic mail to corporate.events@computershare.co.za so as to be received by the transfer secretaries by no later than 12:00 on Friday, 4 August 2017.

If you do not wish to subscribe for all of the rights offer shares allocated to you, you may sell or renounce your rights or allow them to lapse. In such event, you must complete the relevant section of the form of instruction and return it to the transfer secretaries to be received by no later than 12:00 on Tuesday, 1 August 2017, if you wish to sell, and by no later than 12:00 on Friday, 4 August 2017, if you renounce your rights.

If you intend to allow your rights to lapse, you need not take any action.

3. IF YOU HAVE DISPOSED OF YOUR SHARES

If you have disposed of your Hospitality shares, please forward this circular to the purchaser of such shares or to the stockbroker or agent through whom the disposal was effected.

Note:

If you are in any doubt as to the action you should take, please consult your CSDP, stockbroker, banker, legal advisor, accountant or other professional advisor immediately.

Hospitality does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the rights offer.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless a contrary intention is indicated, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*, and the expressions set out in the first column bear the meanings assigned to them in the second column:

“ business day ”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“ certificated shares ”	Hospitality shares which are evidenced by physical documents of title which have not yet been surrendered for dematerialisation in terms of Strate;
“ certificated shareholders ”	holders of certificated shares;
“ the/this circular ”	all documents and annexures bound herein, dated 18 July 2017;
“ common monetary area ”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“ Companies Act ”	the Companies Act, No. 71 of 2008;
“ CSDP ”	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
“ dematerialisation ”	the process whereby certificated shares are converted to an electronic form as uncertificated shares and recorded in the sub-register of shares maintained by a CSDP;
“ dematerialised shares ”	Hospitality shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“ dematerialised shareholders ”	holders of dematerialised shares;
“ directors ” or “ the board ”	the board of directors of Hospitality;
“ documents of title ”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of Hospitality shares;
“ EFT ”	electronic funds transfer;
“ emigrant ”	an emigrant from South Africa whose address is outside the common monetary area;
“ Exchange Control Regulations ”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act (Act 9 of 1933), as amended;
“ final record date ”	the record date for determining the person to whom the rights offer shares will be issued, being Friday, 4 August 2017;
“ form of instruction ”	the form of instruction in respect of the letter of allocation reflecting the entitlement of certificated shareholders to subscribe for new Hospitality shares in terms of the rights offer and on which certificated shareholders should indicate whether they wish to take up, sell or renounce all or some of their rights, which form is enclosed with this circular;
“ the group ” or “ Hospitality group ”	Hospitality and its subsidiaries;
“ Hospitality ” or “ the Company ”	Hospitality Property Fund Limited (Registration number 2005/014211/06), a public company duly incorporated in accordance with the laws of South Africa and listed on the JSE;
“ Hospitality shares ”	ordinary shares having no par value, in the capital of Hospitality;
“ Hospitality shareholders ”	the holders of Hospitality shares;
“ initial record date ”	the record date for determination of shareholders entitled to participate in the rights offer, being Friday, 21 July 2017;
“ irrevocable commitment ”	the irrevocable commitment provided by SSH in paragraph 7 in terms of which SSH undertakes to follow its rights;
“ Java Capital ”	Java Capital Proprietary Limited (Registration number 2002/031862/07), a private company duly incorporated in accordance with the laws of South Africa;

“Java Capital Trustees and Sponsors”	Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), a private company duly incorporated in accordance with the laws of South Africa;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, 2012;
“King III”	the Third King Report on Corporate Governance;
“last practical date”	the last practical date prior to finalisation of this circular, being Friday, 30 June 2017;
“letters of allocation”	renounceable nil paid letters of allocation to be issued to Hospitality shareholders, in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of new Hospitality shares in terms of the rights offer and which are also referred to in this circular in respect of holders of certificated Hospitality shares as the form of instruction;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“MOI”	Memorandum of Incorporation;
“non-resident”	a person not ordinarily resident in South Africa;
“Rand” or “R”	the South African Rand, the lawful currency of South Africa;
“rights offer”	the renounceable rights offer by Hospitality to Hospitality shareholders to subscribe for 21.76820 rights offer shares for every 100 Hospitality shares held by them on the initial record date at an issue price of R14.00 per share;
“rights offer shares” or “new Hospitality shares”	the 71 428 571 Hospitality shares to be issued pursuant to the rights offer;
“SENS”	the Stock Exchange News Service, being the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“SSH”	Southern Sun Hotels Proprietary Limited (Registration number 2002/006356/07), a private company incorporated and registered in accordance with the laws of South Africa and a wholly owned subsidiary of TSHG&E
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system on the JSE;
“subscription price”	the issue price of R14.00 per rights offer share issued pursuant to the rights offer;
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
“Tsogo”	“Tsogo Sun Holdings Limited (Registration number 1989/002108/06), a public company duly incorporated in South Africa;
“TSHG&E”	Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited (Registration number 2002/006556/07), a private company incorporated and registered in accordance with the laws of South Africa and a wholly-owned subsidiary of Tsogo;
“Tsogo transaction”	the proposed acquisition by Hospitality of a portfolio of hotel properties from SSH, which accompanying Hospitality circular and revised listing particulars were posted to Hospitality shareholders on Friday, 9 June 2017;
“underwriter”	SSH;
“underwriting agreement”	the underwriting agreement dated 5 July 2017 and concluded between Hospitality (on the one hand) and the underwriter (on the other hand) in terms of which the underwriter agreed to underwrite the rights offer for a fee as detailed in paragraph 8 of the circular;
“U.S.”	the United States of America; and
“VAT”	value added taxation, in terms of the Value Added Tax Act (Act 89 of 1991), as amended.



HOSPITALITY PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2005/014211/06)

JSE share code: HPB ISIN: ZAE000214656

(Approved as a REIT by the JSE)

("Hospitality" or "the Company")

Directors

John Copelyn (*Chairman, non-executive director*)
Linda de Beer (*Lead independent non-executive director*)
Keith Randall (*Chief executive officer*)
Mara de Lima (*Financial director*)
Don Bowden (*Independent non-executive director*)
Gerald Nelson (*Independent non-executive director*)
Zuko Kubukeli (*Independent non-executive director*)
Willy Ross (*Independent non-executive director*)
Syd Halliday (*Independent non-executive director*)
Zola Malinga (*Independent non-executive director*)
Jacques Booysen (*Non-executive director*)
Rob Nicolella (*Non-executive director*)
Laurelle McDonald (*Non-executive director*)
Zibusiso Kganyago (*Non-executive director*)

CIRCULAR TO HOSPITALITY SHAREHOLDERS

1. INTRODUCTION

- 1.1 Hospitality intends undertaking a fully committed rights offer to Hospitality shareholders in order to raise R1.0 billion.
- 1.2 The purpose of this circular is to advise Hospitality shareholders of the terms and conditions of the rights offer and provide shareholders with instructions on participation in the rights offer.

2. PURPOSE AND RATIONALE OF THE RIGHTS OFFER

The board of directors has resolved to undertake a rights offer to Hospitality shareholders to fund the cash portion of the purchase consideration relating to the Tsogo transaction. The Tsogo transaction presents an attractive acquisition for Hospitality and will contribute to a broadening of Hospitality's earnings base, brand and product offering and greater presence in primary metropolitan areas and add on 3 771 rooms catering for both business and leisure travellers.

3. TERMS OF THE RIGHTS OFFER

In terms of the rights offer:

- 3.1 Hospitality shareholders will be offered 21.76820 rights offer shares for every 100 shares held by them on the initial record date; and
- 3.2 the subscription price will be R14.00 per rights offer share.

4. EXCESS SHARES APPLICATION

Hospitality shareholders will have the right to apply for any excess rights offer shares not taken up by other shareholders subject to such rights being transferable upon renunciation of the letters of allocation, and any such excess shares will be attributed equitably, taking cognisance of the number of shares and rights held by the shareholder just prior to such allocation, including those taken up as a result of the rights offer, and the number of excess rights applied for by such shareholder.

5. NATURE OF BUSINESS AND PROSPECTS OF THE COMPANY

5.1 Nature of business

Hospitality is a speciality REIT, investing solely in hotel and leisure properties. Hospitality comprises 24 properties as at the last practicable date, valued at R8.1 billion. Hospitality's portfolio is highly diversified in terms of geographic location, star grading, brands and market mix.

5.2 Prospects

Hospitality continues to assess value accretive property acquisitions both within Tsogo's existing portfolio and external opportunities to increase the Company's critical mass. Hospitality has concluded a transaction with Tsogo in relation to the acquisition from SSH of a portfolio of hotel assets, independently valued at R4.6 billion as at 31 March 2017, which transaction will continue to contribute to a broadening of Hospitality's earnings base, brand and product offering and greater presence in primary metropolitan areas.

Hospitality will further unlock growth opportunities through the development of its existing hotels.

6. COMMITMENTS AND MINIMUM SUBSCRIPTION

The rights offer is covered for the full rights offer value of R1.0 billion and is not conditional on a minimum subscription.

7. IRREVOCABLE COMMITMENT AND LETTER OF SUPPORT

Set out below are the names of Hospitality shareholders who have provided either an irrevocable commitment or a letter of support to follow their rights in terms of the rights offer as at the last practical date.

Shareholder	Numbr of shares	% of total shares eligible to participate ¹
SSH (<i>irrevocable commitment</i>)	167 384 056	51.0
Coronation Fund Managers (<i>letter of support</i>)	83 718 162	25.5
Total irrevocable commitment and letter of support	251 102 218	76.5

1 – Total shares exclude 2 377 256 shareholder redemption shares (“redemption shares”), being shares relating to shareholder appraisal rights in respect of the capital restructure. The dissenting shareholders have applied to the court to determine the fair value of the redemption shares, which fair value has not been determined as at the last practical date. In terms of section 164(9) of the Companies Act, the dissenting shareholders have no rights to the redemption shares other than to be paid the fair value as determined by the court.

The above shareholders will not be paid a commitment fee for their irrevocable commitments or letters of support.

8. UNDERWRITING

In addition to the irrevocable commitment of R510 million secured from the underwriter, the underwriter has agreed to underwrite a further R235 million of the rights offer, representing the underwriter's maximum commitment.

In terms of the underwriting agreement, an underwriting fee of 1.0% of the amount underwritten by the underwriter (excluding the take up of its *pro rata* entitlement) is payable by the Company to the underwriter, which underwriting fee is, in the opinion of the board, a competitive market rate. In terms of the underwriting agreement, such underwriting fee is only payable upon compliance by the underwriter with its obligations in terms of the underwriting agreement.

The underwriting agreement is irrevocable from Thursday, 13 July 2017.

The underwriter has satisfied the board that the underwriter is able to fulfil their commitments in terms of the underwriting agreement.

Further particulars of the underwriter are set out in **Annexure 4** to this circular.

9. USE OF THE PROCEEDS OF THE RIGHTS OFFER

The rights offer proceeds will be used to partly fund the Tsogo transaction, approved by Hospitality shareholders at a general meeting held on 10 July 2017, whereby Hospitality will purchase from SSH a portfolio for an aggregate purchase consideration of R3.47 billion.

10. ENTITLEMENT

10.1 Hospitality shareholders will receive the right to subscribe for 21.76820 Hospitality shares for every 100 shares held on the initial record date (being Friday, 21 July 2017).

10.2 Hospitality shareholders who hold less than 100 shares or who do not hold a multiple of 100 shares, will be entitled, in respect of such holdings, to participate in the rights offer in accordance with **Annexure 3**.

10.3 The allocation of rights offer shares will be such that shareholders will not be allocated a fraction of a rights offer share and as such any entitlement to receive a fraction of a rights offer share which:

10.3.1 is less than one-half of a rights offer share, will be rounded down to the nearest whole number; and

10.3.2 is equal to or greater than one-half of a rights offer share but less than a whole rights offer share, will be rounded up to the nearest whole number.

10.4 Certificated shareholders will have their rights credited to their accounts held with the transfer secretaries on their behalf. The enclosed form of instruction reflects the number of shares for which the certificated shareholder is entitled to subscribe. The procedure to be followed by certificated shareholders for the acceptance, sale or renunciation of their rights is reflected on the form of instruction.

10.5 Dematerialised shareholders will have their rights to subscribe for rights offer shares credited in electronic form to their account held by their appointed CSDP or broker. The CSDP or broker will advise dematerialised shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such rights.

10.6 The letters of allocation to which the form of instruction relates are negotiable and can be traded on the JSE.

11. STATEMENT AS TO LISTING ON STOCK EXCHANGE

The JSE has granted listings for the letters of allocation and the rights offer shares as follows:

11.1 letters of allocation in respect of 71 428 571 new Hospitality shares will be listed from the commencement of business on Wednesday, 19 July 2017 to the close of business on Tuesday, 1 August 2017, both days inclusive, under the JSE code: HPBN and ISIN: ZAE000243994 ; and

11.2 71 428 571 new Hospitality shares will be listed with effect from the commencement of business on Wednesday, 2 August 2017.

12. SOUTH AFRICAN LAW

All transactions arising from the provisions of this circular and the form of instruction shall be governed by and be subject to the laws of South Africa.

13. PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF RIGHTS

13.1 Certificated shares

13.1.1 *Acceptance*

Full details of the procedure for acceptance of the rights offer by certificated shareholders are contained in the form of instruction enclosed with this circular. It should be noted that:

- acceptances are irrevocable and may not be withdrawn;
- acceptances may be made only by means of the enclosed form of instruction;
- any instruction to sell or renounce all or part of the rights may only be made by means of the form of instruction;
- the properly completed form of instruction together with proof of EFT payment or banker's draft (in the case of foreign shareholders) in Rand in payment of the subscription price payable for the relevant new Hospitality shares must be received by Computershare by no later than 12:00 on Friday, 4 August 2017. All acceptances of the rights offer sent by post by the beneficial holders will be accepted provided the envelope is received by no later than 12:00 on Friday, 4 August 2017;
- the form of instruction to take up the rights in question will be regarded as complete only when proof of EFT payment or banker's draft (in the case of foreign shareholders) has been cleared for payment;
- such payment will constitute an irrevocable acceptance of the rights offer upon the terms and conditions set out in this circular and in the form of instruction once the cheque or banker's draft has been cleared for payment;
- the transfer secretaries should be contacted on +27 (11) 370 5000 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details; and
- if any form of instruction is not received as set out above, the rights offer will be deemed to have been declined and the right to subscribe for the rights offer shares in terms of the form of instruction will lapse regardless of who holds it.

13.1.2 *Renunciation or sale of rights*

Hospitality has issued all letters of allocation in dematerialised form and the electronic record for certificated shares is being maintained by Computershare. This has made it possible for certificated shareholders to enjoy the same rights and opportunities as dematerialised shareholders.

Certificated shareholders not wishing to subscribe for all or some of the new Hospitality shares allocated to them as reflected in the form of instruction, may sell or renounce all or some of their rights or allow them to lapse.

Certificated shareholders who wish to sell all or some of the new Hospitality shares allocated to them as reflected in the form of instruction, must complete the relevant section of the form of instruction and return it to the transfer secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Tuesday, 1 August 2017.

Computershare will endeavour to procure the sale of the rights on the JSE on behalf of such certificated shareholders and will remit the proceeds in accordance with the payment instructions reflected in the form of instruction, net of brokerage charges and associated expenses. Neither the transfer secretaries nor the Company nor any broker appointed by it will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such rights. References in this paragraph to a certificated shareholder include references to the person or persons executing the form of instruction and any person or persons on whose behalf such person or persons executing the form of instruction is/are acting. In the event of more than one person executing the form of instruction, the provisions of this paragraph shall apply to them, jointly and severally.

Certificated shareholders who do not wish to sell all or some of the rights to the new Hospitality shares allocated to them as reflected in the form of instruction, and who do not wish to subscribe for new Hospitality shares offered in terms of the form of instruction, but who wish to renounce their rights, must complete the relevant section of the form of instruction and return it to the transfer secretaries in accordance with the instructions contained therein to be received by no later than 12:00 on Friday, 4 August 2017.

Certificated shareholders who wish to subscribe for only a portion of the new Hospitality shares allocated to them must indicate the number of new Hospitality shares for which they wish to subscribe on the form of instruction.

If by 12:00 on Friday, 4 August 2017, certificated shareholders do nothing in response to this rights offer, their rights will lapse.

13.1.3 ***Payment***

The amount due on acceptance of the rights offer is payable in Rand.

13.1.4 ***Payment terms***

A duly completed form of instruction, together with proof of EFT payment, must be lodged by certificated shareholders and/or their renounees by no later than 12:00 on Friday, 4 August 2017 in accordance with the instructions contained in the form of instruction and clearly marked "**Hospitality – Rights offer**":

by hand to:

Computershare Investor Services Proprietary Limited,
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

or sent by post, at the risk of the shareholder concerned to:

Computershare South Africa Proprietary Limited, PO Box 61763, Marshalltown, 2107.

Forms of instruction which are not posted must be emailed to corporate.events@computershare.co.za. Transfer secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed election forms or owing to forms of instruction being forwarded to any other facsimile or email address other than those provided above. Forms of instruction shall be deemed to be received on the date reflected in the transfer secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the Shareholder's responsibility to ensure that their form of instruction is received by the transfer secretaries.

The transfer secretaries should be contacted on +27 (11) 370 5000 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details for the purposes of making EFT payments.

The above is in respect of the subscription for rights offer shares only.

All bankers' drafts received (in the case of foreign shareholders) by the transfer secretaries will be deposited immediately for payment. In the event that any banker's draft (in the case of foreign shareholders) is dishonoured, Hospitality, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant new Hospitality shares to which it relates against payment in cash of the subscription price for such new Hospitality shares. Money received in respect of an application which is rejected or otherwise treated as void by Hospitality, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of an EFT in Rand to the applicant concerned on or about Wednesday, 9 August 2017. If Hospitality is not able to effect the refund by EFT for any reason whatsoever, then the relevant refund will be held by Hospitality until collected by the applicant. No interest in respect of such refund will be paid by Hospitality.

13.1.5 ***Hospitality share certificates***

Certificates in respect of new Hospitality shares will be posted by registered post by the transfer secretaries, at the risk of the certificated shareholders concerned, on or about Monday, 7 August 2017. As Hospitality uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE, only "block" certificates will be issued in respect of new Hospitality shares.

Certificated shareholders receiving new Hospitality shares in certificated format must note that such shares cannot trade on the JSE until they have been dematerialised. This could take between one and 10 days.

13.1.6 *Transaction costs*

Certificated shareholders wishing to sell all or some of their rights will be liable to pay a cost of R154.48 (all inclusive of VAT) for trades of less than or equal to R40 000 and R154.48 (all inclusive of VAT) plus 0.35% of the value of trades for amounts equal to or greater than R40 000.

13.2 **Dematerialised shares**

13.2.1 *Acceptance, renunciation or sale of rights*

The CSDP or broker appointed by dematerialised shareholders is obliged to contact such shareholders to ascertain:

- whether such dematerialised shareholders wish to follow their rights in terms of the rights offer or renounce their rights and in respect of how many new Hospitality shares; or
- if such dematerialised shareholders do not wish to follow all or any of their rights, whether they wish to sell their rights and how many of their rights they wish to sell.

If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and furnish them with your instruction. Should a CSDP or broker not obtain instructions from a dematerialised shareholder, they are obliged to act in terms of the mandate granted to them by such dematerialised shareholder, or if the mandate is silent in this regard, they are obliged not to accept the rights on behalf of such shareholder.

13.2.2 *Payment*

Your CSDP or broker will effect payment directly on your behalf, in Rand, on Monday, 7 August 2017 on a delivery-versus-payment basis.

13.2.3 *New Hospitality shares*

Dematerialised shareholders will have their accounts credited with the new Hospitality shares subscribed for in terms of the rights offer, on Monday, 7 August 2017.

14. **EXCHANGE CONTROL REGULATIONS**

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. Hospitality shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

The new Hospitality shares to be issued pursuant to the rights offer are not freely transferable from South Africa and must be dealt with in terms of the South African Exchange Control Regulations.

Hospitality shareholders who are not resident in the common monetary area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their rights in terms of the rights offer.

14.1 **Non-residents of the common monetary area**

In terms of the Exchange Control Regulations, non-residents, excluding former residents, of the common monetary area will be allowed to:

- take up rights allocated to them in terms of the rights offer;
- purchase rights on the JSE; and
- subscribe for the new Hospitality shares in terms of the rights offer,

provided payment is in Rand from a non-resident account.

Share certificates issued pursuant to the application must be endorsed “non-resident”.

All applications by non-residents for the above purposes must be made through a South African authorised dealer.

Where rights are sold on the JSE on behalf of non-residents, the proceeds of such sale are freely remittable through a South African authorised dealer in foreign exchange.

14.2 Former residents of the common monetary area (“emigrants”)

Where a right in terms of the rights offer falls due to an emigrant, which right is based on shares blocked in terms of the Exchange Control Regulations, then only blocked funds may be used to:

- take up rights allocated to such emigrant in terms of the rights offer;
- purchase rights on the JSE; and
- subscribe for new Hospitality shares in terms of the rights offer.

Applications by emigrants using blocked Rand for the above purposes must be made through the South African authorised dealer controlling their blocked assets. Hospitality share certificates issued pursuant to blocked Rand transactions must be endorsed “non-resident” and placed under the control of the authorised dealer through whom the payment was made.

Where rights are sold on the JSE on behalf of emigrants, which rights are based on shares which are blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to the blocked Rand accounts of the Hospitality shares concerned.

Non-resident and emigrant dematerialised shares will have all aspects relating to exchange control managed by their CSDP or broker.

15. FOREIGN SHAREHOLDERS

15.1 Introduction

Foreign shareholders may be affected by the rights offer, having regard to prevailing laws in their relevant jurisdictions. Such foreign shareholders should inform themselves about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this circular that may affect them, including the rights offer. It is the responsibility of each foreign shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the rights offer, including the obtaining of any governmental, exchange or other consents or the making of any filing which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The rights offer is governed by the laws of South Africa and is subject to applicable laws and regulations, including the Exchange Control Regulations.

15.2 Affected foreign shareholders

Any Hospitality shareholder who is in doubt as to his position with respect to the rights offer in any jurisdiction, including, without limitation, his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Foreign shareholders are reminded that they may dispose of their Hospitality shares on or prior to the last day to trade, in which case they will not participate in the rights offer.

Foreign shareholders accordingly must take their own advice on whether they are entitled, after the rights offer, to continue beneficially to hold any Hospitality shares distributed to them and take the appropriate action in accordance with that advice.

15.3 Note to U.S. shareholders

The rights offer shares will not be registered with the U.S. Securities and Exchange Commission (“SEC”) under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Neither the SEC nor any U.S. federal or state securities commission has registered, approved or disapproved the rights offer shares or passed comment or opinion upon the accuracy or adequacy of this circular. Any representation to the contrary is a criminal offence in the U.S.

Hospitality shareholders who are citizens or residents of the U.S. are advised that the rights offer shares have not been and will not be registered under the U.S. Securities Exchange Act of 1934, as amended.

15.4 Sale of rights

It is the responsibility of any person outside the common monetary area (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up rights offer shares under the rights offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

If a premium can be obtained over the expenses of the sale, the rights of Hospitality shareholders in the jurisdictions in which it is illegal to make an offer will be sold by the transfer secretaries on the JSE for the benefit of such Hospitality shareholders, in accordance with this section. Any premium over the expenses of the sale of the rights of Hospitality shareholders in these jurisdictions (including applicable taxes, brokerage fees and commissions) shall be remitted to such Hospitality shareholders.

None of Hospitality, the transfer secretaries or any broker appointed by them or Hospitality, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising out of, the timing of such sales or the remittance of the net proceeds of such sales.

16. TAX CONSEQUENCES OF THE RIGHTS OFFER

The directors of the Company are of the opinion that the purchase, holding and disposal of the letters of allocation or rights offer shares should, for taxation purposes, be treated according to the usual rules relating to the categorisation of an asset and its return as capital or revenue, however, Hospitality shareholders are advised to consult their professional advisers regarding the tax consequences of the rights offer.

17. JURISDICTION

The distribution of this circular and/or accompanying documents and/or the transfer of the new Hospitality shares and/or the rights to subscribe for new Hospitality shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction in which it is illegal to make such a rights offer. In such circumstances, this circular and the form of instruction are sent for information purposes only.

18. INFORMATION RELATING TO DIRECTORS

Annexure 2 contains the following information relating to directors:

18.1 directors' interests in Hospitality shares; and

18.2 directors' interests in transactions.

19. STATED CAPITAL AND SHARE CAPITAL OF THE COMPANY

Provided below is information relating to the stated capital and authorised and issued share capital of the Company.

19.1 Hospitality's stated capital and share capital as at the last practical date

The stated capital and authorised and issued share capital of Hospitality before the rights offer, as at the last practical date, is as follows:

	R'000
<i>Authorised share capital</i>	
2 000 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
330 509 919 ordinary shares of no par value	5 565 258
Share capital	5 565 258

The issued share capital includes 562 774 Hospitality shares which are held in treasury and 2 377 256 shareholder redemption shares (“**redemption shares**”), being shares relating to shareholder appraisal rights in respect of the restructure of the Company's dual-class share capital structure to its current single-class share capital structure implemented on and with effect from 10 October 2016. The dissenting shareholders have applied to the court to determine the fair value of the redemption shares, which fair value has not been determined as at the last practical date. In terms of section 164(9) of the Companies Act, the dissenting shareholders have no rights to participate in the rights offer nor to the redemption shares other than to be paid the fair value as determined by the court. Shareholders holding treasury shares will not follow their rights.

19.2 Hospitality's stated capital and share capital after the rights offer

Assuming that all of the rights offer shares will be subscribed for (and that the consideration shares are issued as contemplated in the circular issued to Hospitality shareholders on 9 June 2017), the stated capital and authorised and issued share capital of Hospitality after the rights offer and the Tsogo transaction will be as follows:

	R'000
<i>Authorised share capital</i>	–
2 000 000 000 ordinary shares of no par value	
<i>Issued share capital</i>	
576 003 351 ordinary shares of no par value	9 000 786
Share capital	9 000 786

562 774 shares are held in treasury.

20. PRICE AND VOLUME HISTORY OF HOSPITALITY SHARES ON THE JSE

The share price and volume history of Hospitality shares:

20.1 in the 12 months preceding the date of issue of the circular; and

20.2 in the 30 days preceding the last practical date,

is set out in **Annexure 1**.

21. LITIGATION STATEMENT

Save as disclosed in the circular, and Tsogo transaction circular and revised listings particulars posted to Hospitality shareholders on 9 June 2017, there are no legal or arbitration proceedings which may have, or have during the 12 months preceding the date of this circular, had a material effect on the financial position of the group.

22. EXPENSES OF THE RIGHTS OFFER

22.1 The following expenses and provisions are expected or have been provided for by the group in connection with the rights offer and will be settled out of the proceeds of the rights offer. All costs are stated exclusive of VAT:

Details	Recipient	ZAR
Underwriting Fee	SSH	2 347 540
Independent reporting accountants' fee	PricewaterhouseCoopers Inc.	15 000
JSE documentation fee	JSE	23 684
JSE listing fees	JSE	273 021
Corporate advisor and sponsor fees	Java Capital	750 000
Printing and other fees	Ince Proprietary Limited	200 000
Total		3 609 245

23. CONFLICT OF INTEREST

Java Capital is acting in the capacities of corporate advisor and sponsor. As required in terms of the Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that may arise as a result of Java Capital acting in these roles, Java Capital has in place appropriate checks and balances and divisions of responsibility amongst the persons involved in fulfilling these various roles.

24. CONSENTS

Java Capital, Java Capital Trustees and Sponsors, the underwriter and the transfer secretaries have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

25. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 7, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the Listings Requirements.

26. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of Hospitality from Thursday, 20 July 2017, up to and including Friday, 4 August 2017:

- 26.1 the memorandum of incorporation of Hospitality and its major subsidiaries;
- 26.2 The underwriting agreement and irrevocable commitment;
- 26.3 the audited financial statements of Hospitality for the three years ended 30 June 2016, 30 June 2015 and 30 June 2014;
- 26.4 the reviewed condensed consolidated financial results of Hospitality for the nine months ended 31 March 2017;
- 26.5 this circular, signed by or on behalf of the directors and the form of instruction;
- 26.6 the letters of consent referred to in paragraph 24 of this circular;
- 26.7 copies of service agreements with directors of Hospitality; and
- 26.8 the valuation reports prepared by the independent property valuers in respect of the properties owned by Hospitality as at 31 March 2017.

Signed in Johannesburg by Keith Randall on behalf of the Hospitality board, he being duly authorised in terms of a written resolution signed by each director on 16 May 2017.

Keith Randall

Chief Executive Officer

18 July 2017

The Zone, Phase 2
2nd Floor, Loft Offices East Wing
Corner Oxford Road and Tyrwhitt Avenue
Johannesburg, 2196

PRICE AND VOLUME HISTORY OF HOSPITALITY SHARES ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly					
2016					
June	1138	980	1113	113 451	1 265 054
July	1155	1068	1103	113 730	1 253 655
August	1365	1103	1330	697 234	8 479 300
September	1383	1225	1383	271 952	3 483 326
October	1365	1232	1307	3 998 464	52 137 192
November	1325	1260	1285	11 963 850	154 410 429
December	1485	1277	1340	4 179 853	54 812 232
2017					
January	1374	1305	1373	1 054 744	14 079 764
February	1450	1360	1449	7 562 158	107 106 410
March	1450	1367	1390	1 787 156	25 413 990
April	1424	1365	1400	4 551 224	63 114 126
Daily	1470	1375	1415	5 770 510	81 064 535
2017					
18 May	1399	1376	1399	113 675	1 574 312
19 May	1400	1385	1399	40 798	566 567
22 May	1400	1390	1399	106	1482
23 May	1424	1400	1424	1251	17 721
24 May	1420	1400	1420	648 126	9 202 351
25 May	1440	1400	1430	175 349	2 485 377
26 May	1470	1418	1462	3072	44 723
29 May	1470	1401	1405	21 361	310 638
30 May	1450	1415	1415	9435	134 354
31 May	1415	1408	1415	102 259	1 446 962
1 June	1415	1405	1405	68 973	972 082
2 June	1410	1400	1405	25 806	363 783
5 June	1415	1405	1414	77 408	1 087 893
6 June	1416	1401	1415	357 261	5 054 642
7 June	1415	1404	1415	25 879	366 139
8 June	1415	1407	1407	14 286	202 117
12 June	1430	1430	1430	22 206	317 545
13 June	1420	1395	1420	148 887	2 095 741
14 June	1405	1405	1405	3005	42 220
18 June	1401	1391	1394	125 900	1 761 822
19 June	1420	1395	1400	472 432	6 613 041
20 June	1405	1395	1405	8 067 623	113 143 570
21 June	1400	1400	1400	38 050	532 700
22 June	1405	1400	1400	152 223	2 135 752
23 June	1410	1400	1400	34 311	480 460
26 June	1430	1405	1405	173 007	2 431 625
27 June	1410	1404	1405	15 999	224 840
28 June	1411	1405	1410	146 156	2 059 587
29 June	1400	1400	1400	50 263	703 682
30 June	1400	1400	1400	50 362	705 068

DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES

1. DIRECTORS' INTERESTS IN HOSPITALITY SHARES

- 1.1 Set out below are the interests of directors in the company at 31 March 2017. This includes the interest of persons who are no longer directors, but resigned during the last 18 months. Direct and indirect beneficial interests are disclosed. In addition, interests of associates of directors, where the director has no beneficial interest, are separately disclosed (this relates principally to the holdings of spouse and minor children):

Director	Direct beneficial	Indirect beneficial	Held by associates	Total shares held	% of total shares
Zuko Kubukeli *	–	–	33 919	33 919	0.0
Gerald Nelson	–	–	524 062	524 062	0.2
Laurelle McDonald ^	–	–	52 500	52 500	0.0
Marcel von Aulock ^#	–	–	157 500	157 500	0.1
Jacques Booysen	110 010	–	–	110 010	0.0
Total	110 010	–	767 981	877 991	0.3

* *Miavox Proprietary Limited owns 135 675 shares. Mr Kubukeli has a 25% interest in Miavox Proprietary Limited.*

^ *Elsitime Proprietary Limited owns 210 000 shares. Mr von Aulock is a director and 75% shareholder of Elsitime Proprietary Limited. Mrs McDonald is a director and a 25% shareholder of Elsitime Proprietary Limited.*

Mr von Aulock resigned from Hospitality on 1 June 2017.

- 1.1.1 Other than as disclosed in paragraph 1.1 above, the directors do not hold any interests in Hospitality shares.

- 1.1.2 Other than the additional shares held by Mr J Booysen, there were no changes to the directors' holdings between 31 March 2017, and the date of issue of this circular.

- 1.2 Set out below are the anticipated direct and indirect beneficial interests of the directors in the Hospitality group post the implementation of the rights offer and the Tsogo transaction, based on the assumption that the directors will follow their rights. This includes the interest of persons who are no longer directors, but resigned during the last 18 months. In addition, interests of associates of directors, where the director has no beneficial interest, are separately disclosed (this relates principally to the holdings of a spouse and minor children):

Director	Direct beneficial	Indirect beneficial	Held by associates	Total shares held	% of total shares ¹
Zuko Kubukeli	–	–	41 303	41 303	0.0
Gerald Nelson	–	–	638 141	638 141	0.1
Laurelle McDonald	–	–	63 928	63 928	0.0
Marcel von Aulock*	–	–	191 785	191 785	0.0
Jacques Booysen	133 957	–	–	133 957	0.0
Total	133 957	–	935 157	1 069 114	0.2

* *Mr M von Aulock resigned from Hospitality on 1 June 2017.*

¹ – *Percentage of total shares is based on the total share capital as set out in paragraph 19.2 of this circular.*

2. DIRECTORS' INTERESTS IN TRANSACTIONS

Save as in relation to their holding of Hospitality shares as set out in paragraph 1 above, none of the directors of Hospitality, including a director who resigned during the last 18 months, has or had any material beneficial interest, direct or indirect, in any transactions that were effected by Hospitality during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

There has been no direct change to the directors of the company or directors remuneration as a result of the rights offer.

TABLE OF ENTITLEMENT

No fractions of rights offer shares will be issued to shareholders and the rights offer shares will be issued based on the rounding principle (up or down, as the case may be). The table of entitlement of shareholders to receive rights offer shares is set out below.

Number of existing Hospitality shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled	Number of existing Hospitality shares	Number of rights offer shares to which a shareholder is entitled	Rounded number of rights offer shares to which a shareholder is entitled
1	0.21768	–	53	11.53715	12
2	0.43536	–	54	11.75483	12
3	0.65305	1	55	11.97251	12
4	0.87073	1	56	12.19019	12
5	1.08841	1	57	12.40787	12
6	1.30609	1	58	12.62556	13
7	1.52377	2	59	12.84324	13
8	1.74146	2	60	13.06092	13
9	1.95914	2	61	13.27860	13
10	2.17682	2	62	13.49628	13
11	2.39450	2	63	13.71397	14
12	2.61218	3	64	13.93165	14
13	2.82987	3	65	14.14933	14
14	3.04755	3	66	14.36701	14
15	3.26523	3	67	14.58469	15
16	3.48291	3	68	14.80238	15
17	3.70059	4	69	15.02006	15
18	3.91828	4	70	15.23774	15
19	4.13596	4	71	15.45542	15
20	4.35364	4	72	15.67310	16
21	4.57132	5	73	15.89079	16
22	4.78900	5	74	16.10847	16
23	5.00669	5	75	16.32615	16
24	5.22437	5	76	16.54383	17
25	5.44205	5	77	16.76151	17
26	5.65973	6	78	16.97920	17
27	5.87741	6	79	17.19688	17
28	6.09510	6	80	17.41456	17
29	6.31278	6	81	17.63224	18
30	6.53046	7	82	17.84992	18
31	6.74814	7	83	18.06761	18
32	6.96582	7	84	18.28529	18
33	7.18351	7	85	18.50297	19
34	7.40119	7	86	18.72065	19
35	7.61887	8	87	18.93833	19
36	7.83655	8	88	19.15602	19
37	8.05423	8	89	19.37370	19
38	8.27192	8	90	19.59138	20
39	8.48960	8	91	19.80906	20
40	8.70728	9	92	20.02674	20
41	8.92496	9	93	20.24443	20
42	9.14264	9	94	20.46211	20
43	9.36033	9	95	20.67979	21
44	9.57801	10	96	20.89747	21
45	9.79569	10	97	21.11515	21
46	10.01337	10	98	21.33284	21
47	10.23105	10	99	21.55052	22
48	10.44874	10	100	21.76820	22
49	10.66642	11	1 000	217.68200	218
50	10.88410	11	10 000	2 176.82000	2 177
51	11.10178	11	100 000	21 768.20000	21 768
52	11.31946	11	1 000 000	21 7682.00000	217 682

INFORMATION ON THE UNDERWRITER

The rights offer is underwritten by SSH up to the value of ZAR235 million. Details pertaining to the underwriter as required by the Listings Requirements are set out below.

Full legal and entity name:	Southern Sun Hotels Proprietary Limited
Directors:	J Booysen RB Huddy PJ Boshoff FV Dlamini L McDonald RF Weilers
Company Secretary:	Southern Sun Secretarial Services Proprietary Limited (represented by G Tyrrell)
Date and place of incorporation:	18 March 2002 in the Republic of South Africa
Registration number:	2002/006356/07
Registered office:	Palazzo Towers East Montecasino Boulevard Fourways 2055
Auditors:	PricewaterhouseCoopers Inc.
Bankers:	Nedbank Limited FirstRand Bank Limited ABSA Group Limited
Authorised share capital:	99 860 ordinary shares of 1c (one cent) 140 redeemable cumulative preference shares of 1c (one cent)
Issued share capital:	10 000 ordinary shares of 1c (one cent)