



GRAND PARADE

INVESTMENTS LIMITED

TWENTY

19

INTEGRATED
ANNUAL REPORT



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ABOUT THIS REPORT

REPORT SCOPE, BOUNDARY

Grand Parade Investments Ltd's (GPI or the Group) integrated annual report 2019 (this report) provides a succinct review of our strategy and business model, operating context, material stakeholder interests, key risks, and performance and governance practices, covering the financial year ending 30 June 2019. This report is supplemented by our separate Consolidated Annual Financial Statements 2019 (AFS). The report focuses on the activities of GPI as an investment holding company, and includes an analysis of our underlying investments, both in the Executive Reviews section (pages 28 – 37) and the Investment Reviews section (pages 39 – 45, focusing on the most material investments only). Since last year there have been no significant changes to the Group's organisational structure, and no material restatements of data during the year.

TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for current and prospective investors, although it is also relevant for any other stakeholder who has an interest in GPI's performance and prospects. This report focuses on those issues that we have identified as being most material to our capacity to create value and deliver on our strategic growth objectives. In addressing these material issues, we review what we do (page 6), describe our business model (page 18), identify the material interests of priority stakeholders, assess the principal risks and opportunities arising from the operating context and review our performance and governance practices (pages 54 – 57) aimed at ensuring value.

EXTERNAL ASSURANCES

Independent external auditors, EY, audited the AFS in accordance with the International Standards on Auditing. The opinion of the external auditors is provided in the full AFS. The Group has not sought external assurance on the contents of this report.

REPORTING PRINCIPLES TARGET

This report was prepared in accordance with International Financial Reporting Standards (IFRS), the JSE Listings Requirements and the Companies Act, No. 71 of 2008, as amended (the Companies Act), where relevant. The report has sought to apply the International <IR> Framework of the International Integrated Reporting Council (IIRC). GPI has applied the majority of the principles and recommendations outlined in the King IV Report on Governance for South Africa 2016™ (King IV); a summary of those principles that were not fully applied is presented on the Company's website.

FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements that relate to the financial position and results of the operations of GPI and its investments. These statements, by their very nature, involve risk and uncertainty as they relate to future events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, interest rates, exchange rates and regulatory delays or changes. The forward-looking statements have not been reviewed or reported on by the Group's external auditors.

APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Board acknowledges its responsibility to ensure the integrity of the integrated annual report. The directors confirm they have collectively assessed the content of the report and believe that it is a fair representation of the Group's material issues, performance and prospects. The Board has therefore approved the integrated annual report 2019 for release to stakeholders.



ABOUT
GRAND PARADE
INVESTMENTS

ABOUT GPI

Grand Parade Investments (GPI) is an empowering investment holding company that actively manages investments in its current focus areas of food and gaming.

The Company was founded in 1997 for the purpose of partnering with Sun International South Africa (Pty) Ltd as its primary black economic empowerment partner in the Western Cape. R28 million was raised from over 10 000 previously disadvantaged community members.

Since then we have grown our investment portfolio within the gaming industry, and in recent years have diversified into food, having acquired the South African master franchise licences for BURGER KING®. GPI listed on the main board of the JSE in 2008.

Our current investment portfolio comprises the following investments:

 BURGER KING SOUTH AFRICA INVESTMENT & EFFECTIVE HOLDING: 91.1%	 GRAND FOODS MEAT PLANT INVESTMENT & EFFECTIVE HOLDING: 100%
 MAC BROTHERS CATERING EQUIPMENT INVESTMENT & EFFECTIVE HOLDING: 100%	 SPUR CORPORATION INVESTMENT & EFFECTIVE HOLDING: 17.79%
 SUNWEST INVESTMENT & EFFECTIVE HOLDING: 15.1%	 WORCESTER CASINO INVESTMENT & EFFECTIVE HOLDING: 15.1%
 SUN SLOTS INVESTMENT & EFFECTIVE HOLDING: 30.0%	 GPI PROPERTIES INVESTMENT & EFFECTIVE HOLDING: 100.0%

CHAIRMAN'S REVIEW



HASSEN ADAMS

'The future is looking bright and our attempts to focus on being an investment company will re-rate our share price closer to our intrinsic net asset value.'

The end of June 2019 marked my retirement as an executive Chairman after many years at the operational helm of Grand Parade Investments. I will continue as the non-executive Chairman and will use my best endeavours to give strategic direction and policy implementation and ensure good corporate governance. It is important for me to transfer my years of experience and wisdom to the new and young in-coming executive, to create a seamless handover.



Grand Parade Investments was founded in 1997 from humble beginnings with our founding shareholders, many from disenfranchised communities, investing the seed capital of R28 million. Today, we are a multi-billion Rand company and during the 22 years of our existence, we have navigated GPI through hostile take-over attempts, challenges from

fund manager activism and litigation. I have served Grand Parade Investments since inception as a director and founding shareholder and continue to do so without fail. It has been an honour and privilege to serve GPI and I am thankful for the support that I have received from my fellow directors and shareholders. It has always been my ambition to ensure that Grand Parade Investments exercises a dividend active policy and we will continue to do so to the best of our ability. It would be remiss of me not to thank my executive team and employees who have held the flag up high, whilst I was incapacitated through illness.

Since my return from my bout of illness, we have embarked on a process of unshackling ourselves from the negative debate in the market place and have kept ourselves focused on de-gearing the business and to return GPI to be cash positive whilst ensuring growth and allowing for the Company to continue to be dividend active. We will achieve this through the sale of 10% of Spur and 30% of our Slots business. We are continuing to negotiate the partial sale of Burger King and to retain a minority interest in the operation. This would

'GPI has entered a new dawn where we have applied a "get real strategy" which means that we will apply all the principles in terms of our ppp-philosophy (people, planet and profit) and be guided by good corporate governance to instil long-term sustainability in a responsible way.'

mean that we are now entering the phase where GPI will become a pure investment company.

These initiatives must be guided by a philosophy where we introduce 21st Century thinking by ensuring that we embrace value creation, sustainability and good corporate governance. The error of corporate leaders has been to focus on maximising shareholder profit, even at the cost of marginalising the stake-holders and destroying the environment. This is not in the best interest of shareholders and is destructive. This concept was re-enforced by the Noble Laureate economist, Milton-Friedman, who in the 1970s wrote "the sole purpose of the corporation is to make profit without deception or fraud", but Mervin King makes it quite clear that shareholders don't have the primacy over other shareholders. Stakeholders, employees, debt-holders, suppliers and customers, amongst others, had more invested in the sustainability of the Company. "Shareholder ownership's average holding on the JSE is six to seven months. Shareholders can bail out at any time" he said. Companies balance sheets and reputations could be damaged overnight by not keeping oversight over the long-term well-being of a company in the pursuit of their long-term profit.

GPI has entered a new dawn where we have applied a "Get Real Strategy" which means that we will apply all the principles in terms of our PPP-Philosophy (People, Planet and Profit) and be guided by good corporate governance to instil long-term sustainability in a responsible way.

On the home front, whilst the country has gone through a recessionary period, with daily reports of blood on the streets in the economy, we have flown the GPI flag up high and have produced positive results during these extremely difficult times. The underlying businesses are showing good traction and in Burger King, we have achieved the magic billion Rand mark in sales with great upward mobility to increase EBITDA and profitability. GrandWest Casino remains flat in an environment where others in the country are trading negatively.

Notwithstanding this, GrandWest still achieved a Npat (net profit after tax) of a half-a-billion Rand and continues to distribute excellent dividends to shareholders. Management have documented the financial performances of all the underlying businesses owned by GPI in detail in this report. The future is looking bright and our attempts to focus on being an investment company will re-rate our share price closer to our intrinsic net asset value.

The economic climate has forced us to embark on austerity measures which is seen in reduction of head office costs, the sale of non-core assets and increased productivity. In Burger King, we are continuously achieving this and have introduced new point-of-sale kiosks and increased our revenue through home deliveries.

We continue to invest in people to ensure a well-developed staff component that deals with 21st century digital applications.

This initiative has shown good traction in a well-defined GPI development to drive the business with efficient and effective people.

In conclusion, it has been a difficult year for me in dealing with my health, but more so for GPI in adapting to a very difficult economic climate in South Africa. I would like to thank the Board of directors, my management team and all of our stakeholders for the patience and the support during this period.

Hassen Adams
Non-executive Chairman

'We continue to invest in people to ensure a well-developed staff component that deals with 21st century digital applications.'

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS



MOHSIN TAJBHAI (39)

GROUP CEO
Appointed to the Board on 28 November 2018. Appointed as CEO on 1 July 2019

Mohsin is a professional structural engineer with a Master's degree in engineering from the University of Cape Town ("UCT") and also holds a Master's degree in Business Administration (MBA) from the Graduate School of Business at UCT. He started his career at GPI as the Chief Operating Officer ("COO") of manufacturing and properties and progressed to Group COO. Prior to his career at GPI, he served as a chief executive officer of a Cape Town based civil engineering company.



COLIN MICHAEL PRIEM (60)

GROUP FINANCIAL DIRECTOR
Appointed to the Board on 20 August 2012. Appointed as Group Financial Director on 1 July 2018

Colin has a Bachelor's degree in Commerce, with Honours in Business Administration, and a Masters of Commerce degree in Management. He was the CEO of a large services business in Cape Town and was associated with the University of the Western Cape as a contract lecturer. In addition to being a non-executive director on the Board of GPI, he also served as Chairman of the Board's Audit and Risk Committee and as a member of the Remuneration and Nomination Committee and the Investment Committee.

Colin has comprehensive experience in financial, investment and strategic management gained as an academic and through active involvement in business and has more than twenty years' experience in the landscape design, construction and services industries.

NON-EXECUTIVE DIRECTORS



DR HASSEN ADAMS (67)

NON-EXECUTIVE CHAIRMAN
Appointed to the Board on 20 October 1997. Appointed as non-executive Chairman on 1 July 2019

An engineer by profession, Hassen has been instrumental in establishing a number of successful businesses, the most high profile of these being Grand Parade Investments Limited (GPI) which he co-founded. In addition to being the Chairman of GPI, Hassen is also chairman of Burger King South Africa (RF) (Pty) Ltd and non-executive chairman of SunWest International (Pty) Ltd. He served on the board and risk committee of Grindrod Limited and on GPI's Investment Committee and Social and Ethics Committee.

Hassen also holds directorships in diverse industry sectors including construction, gaming, shipping, entertainment and leisure and has extensive experience in corporate finance. He was awarded an Honorary Doctorate in Philosophy from the Department of Economic and Management Science at the University of the Western Cape (UWC).

NON-EXECUTIVE DIRECTORS CONTINUED



MARK BOWMAN (53)

NON-EXECUTIVE DIRECTOR*
Appointed 5 December 2018

Mark was until the end of 2016 Managing Director for Africa for SABMiller. He has spent the majority of his career with SABMiller in various leadership roles. Over the span of his career he managed ABI (the listed soft drinks division of SAB) in South Africa, and in Poland he was MD for Kompania Piwowarska a successful part of the SABMiller CEE business. From 2007 until his departure in late 2016 Mark managed SABMiller Africa, a business of over \$10bn in revenue, and \$1.8bn in EBIT, which represented a third of group earnings. His business experience lies in growing fmcg businesses in Africa. Mark is a non-executive director of Tiger Brands, Dischem, and Mr Price. He variously also sits on Remco, Audit /Risk, and Investment sub-committees of these Boards.



RONEL VAN DIJK (47)

NON-EXECUTIVE DIRECTOR*
Appointed 5 December 2018

Ronel joined Spur Corporation Limited as group financial manager in 2003. In 2005 she was appointed as chief financial officer and company secretary, and appointed to the board of directors in September 2006.

Since 2014 she had a dual role after being appointed COO of International business and in this capacity was responsible for the international growth strategy of the group.

As an executive director Ronel was instrumental in determining and implementing group strategy and also founded the Spur Foundation.

Ronel was appointed a non-executive director and audit and risk committee member of GPI Limited and Adcorp Holdings Limited in 2018 and June 2019 respectively. She is a founding member of the Western Cape Development Board of the Early Care Foundation and has been appointed as the Interim CFO of PPC Limited with effect from 1 November 2019.



KESHAN PILLAY (51)

NON-EXECUTIVE DIRECTOR*
Appointed 11 July 2019

Keshan is a senior investment professional with significant experience in the structuring and financing of Corporate and Black Economic Empowerment ("BEE") transactions, including Management Buyouts, Leveraged Finance and Mergers & Acquisitions. He is currently the CEO of Makalani, an established investment and advisory firm, and the non-executive Chairman of UBank Limited, Eastvaal Motor Holdings (Pty) Limited and Enterpriseroom (Pty) Limited.

He has previously served on a number of listed and unlisted companies in a non-executive Director capacity.

Keshan has a strong reputation in the market as a pre-eminent financier of and advisor to BEE transactions.



ALEX ABERCROMBIE (68)

NON-EXECUTIVE DIRECTOR*
Appointed 20 October 1997

Alex is an attorney by profession and a Consultant to the national law firm Cliffe Dekker Hofmeyr. His association with GPI dates back to the inception of the Company in 1997 when he was appointed as a non-executive director. On 11 June 2012, he was appointed as the executive director responsible for the Group's gambling operations until his retirement from the executive role on 28 February 2015.

He remains on the Board as a non-executive director as well as continuing on the Board of the GPI/Sun International slots group of companies in which GPI has an interest. Alex is chairperson of these companies, including the holding company, Sun Slots, the management company, the 6 slots routes owned by Sun Slots countrywide and the Grand Gaming Corporate Social Investment Company.



PROF. WALTER GEACH (64)

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR*
Appointed to the Board on 26 September 2013. Appointed as Lead independent director on 9 September 2019

Walter is a chartered accountant (CA) (SA), an admitted advocate of the High Court of South Africa and a Professor and Head of the Department of Accounting at the University of the Western Cape. Among his many other academic achievements, he has also authored/co-authored over 14 published books on a variety of subjects such as company law, corporate governance, financial accounting, taxation, financial planning, Trusts. The books are used extensively in practice by accountants, consultants, lawyers and financial planners.

In addition, Walter serves as a non-executive director and member of the audit committee of Grindrod Bank.

* Denotes independent non-executive directors

EFFECTIVE GOVERNANCE AND CONTROL

OUR ORGANISATION IS BUILT ON A FIRM FOUNDATION...

The Company's ethical values are based on integrity, transparency, fairness and trust and a commitment to making a meaningful contribution to broad-based black economic empowerment as inclusively as possible; to uphold the highest ethical and moral standards; and to invest in the finest people and promote their personal growth.

...THAT INFORMS HOW WE APPOINT OUR LEADERSHIP...

Directors are appointed by the Board in a formal manner. The Remuneration and Nomination Committee, in consultation with the Chairman, considers suitable candidates and nominates persons for appointment as directors taking into account the requirements of the business. Proposals for election/re-election to the Board are, after review, recommended by the Nomination Committee and are considered by the Board, subject to the approval/ratification of shareholders.

AND ULTIMATELY EVALUATE THEIR PERFORMANCE AND SUCCESSSES

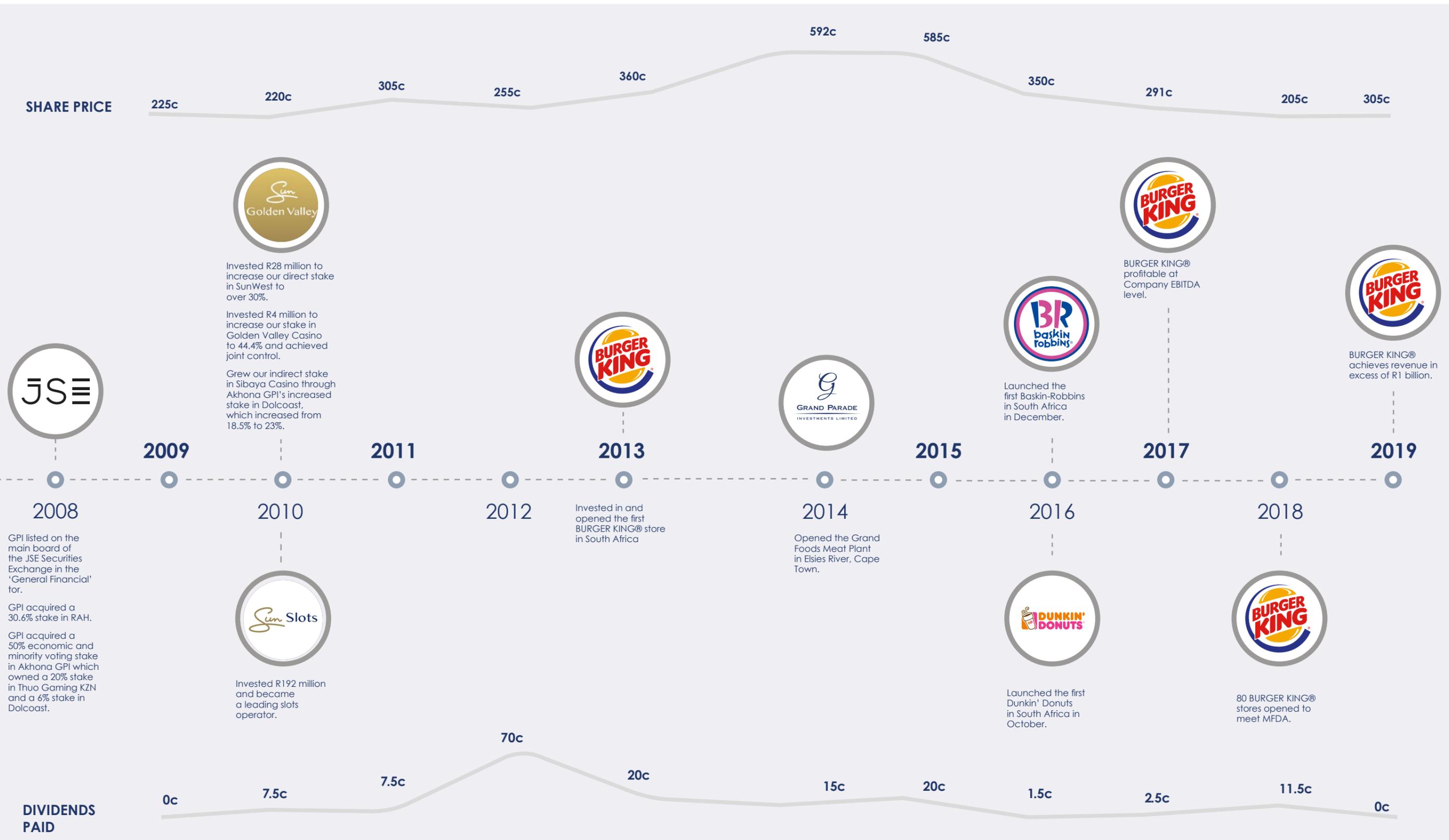
During the Reporting period the Chairman of the Remuneration and Nomination Committee, in consultation with the Executive Chairman, evaluates the effectiveness of the Board and the Board committees. This year, no issues of material concern were raised in the evaluations and the Board is satisfied with its performance and effectiveness. Additionally, the Group obtained the services of an external firm to conduct board and committee member evaluations.

TENURE AND SERVICE



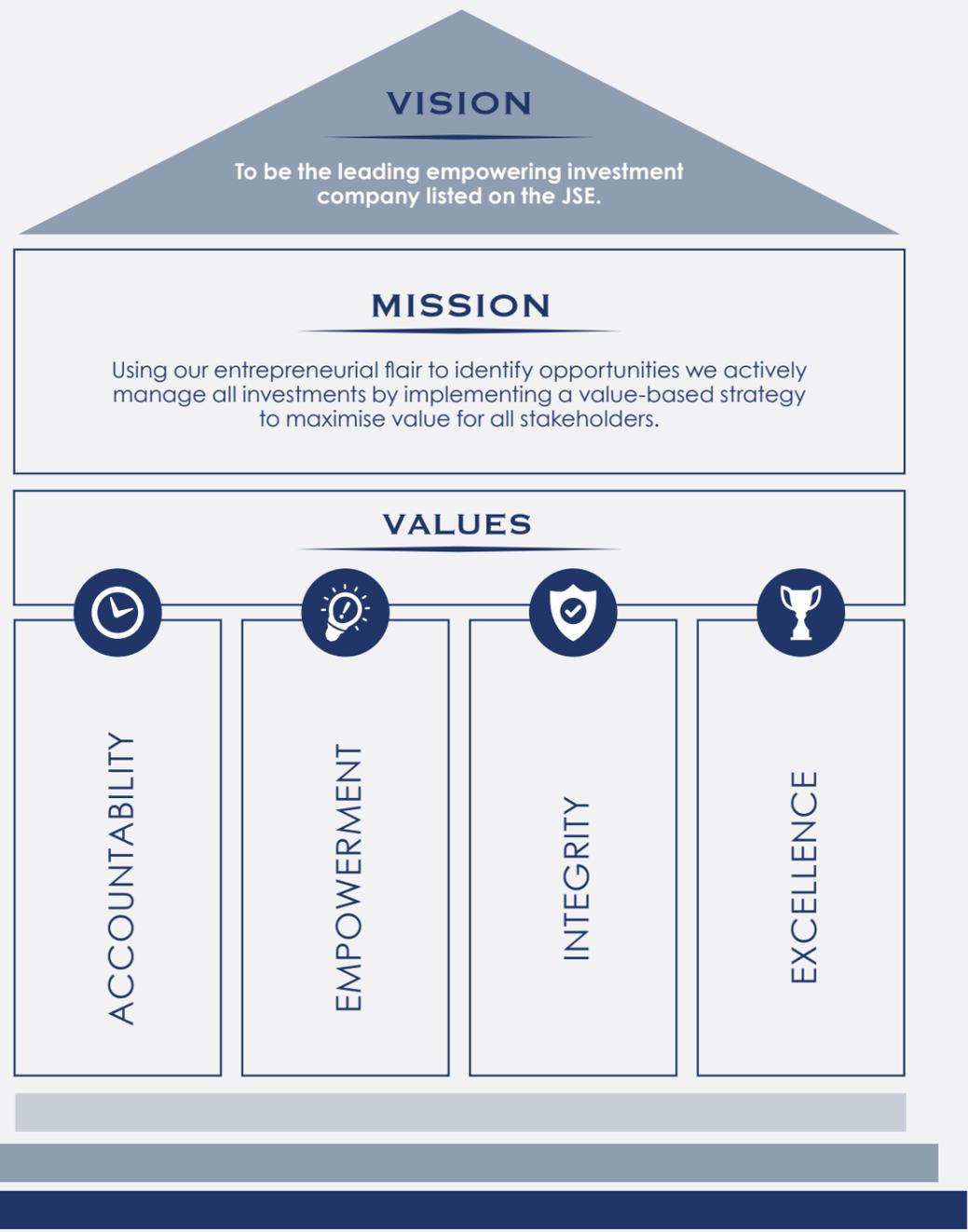
One-third of the company's non-executive directors are required to retire by rotation at the Annual General Meeting (AGM) of shareholders.

GPI TIMELINE

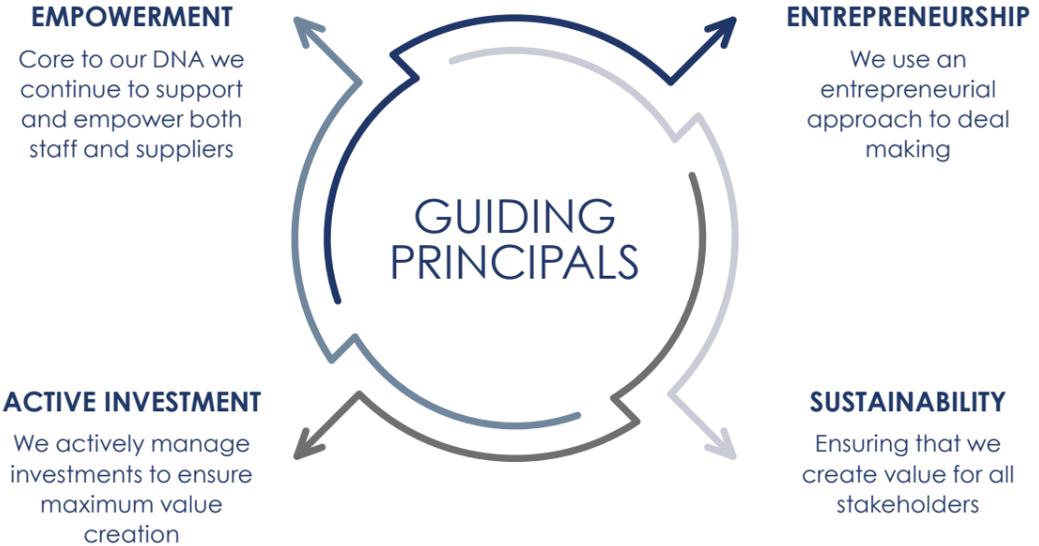




OUR STRATEGIC BUSINESS CONTEXT



GUIDING PRINCIPLES



INVESTMENT PHILOSOPHY



STAKEHOLDER VALUE



BUSINESS MODEL



IDENTIFYING VALUE MAXIMISING OPPORTUNITIES

We use our entrepreneurial flare to identify investment opportunities that align to our investment philosophy of investing in listed and unlisted entities where we can use our strengths to add value to the investee companies through our set of unique capital and tacit inputs.

We typically invest in companies that provide a combination of long-term growth, opportunities for value creation and a sustainable yield. We often look at entities that have the following characteristics:

- High growth industries
- Market-leading brand
- Strong management team with a demonstrable track record
- Clearly defined value-based strategy
- Robust corporate governance practices
- Strong investment partners that are aligned to GPI's strategic objectives

MAKING OUR INVESTMENTS

Currently, we have an investment portfolio that has a strong focus on gaming and food.

FOOD	BURGER KING SOUTH AFRICA	GRAND FOODS MEAT PLANT
	Global quick-service restaurant brand with stores in 86 countries.	Established supplier of quality Halaal products to wholesalers and retailers in South Africa.
	MAC BROTHER CATERING EQUIPMENT	SPUR CORPORATION
	A leading supplier of catering equipment and associated services.	Leading multi-brand restaurant franchisor comprised of eight recognised and reputable restaurant brands.
GAMING AND LEISURE	SUNWEST INTERNATIONAL	WORCESTER CASINO
	Holds 100% of GrandWest Casino and Entertainment World (the largest entertainment destination of its kind in South Africa, operating the only casino in Cape Town).	Owens 100% of the Golden Valley Casino in the Breede River Valley.
NON-CORE	SUN SLOTS	
	Installs and operates limited pay-out machines in the premises of licensed sites, primarily with age-controlled access.	
	GPI PROPERTIES	
	Operates as a property company. The properties are leased to subsidiaries of GPI, including Burger King.	

MANAGING OUR INVESTMENTS

VALUE-GENERATING ACTIVITIES

- We manage our investments on a decentralised basis by ensuring that the company in which we invest in has a strong management team and to whom we can provide support services, funding and strategic direction.
- We are committed to aligning the strategic objectives of our investee companies with our own ambitions ensuring that each investment has a remuneration structure that incentivises the implementation and performance.
- We monitor the performance of our investments on a monthly basis and provide support on strategic objectives and operational performance targets of the business
- We encourage management teams across investments to identify synergies between the respective businesses to ensure that maximum value is unlocked across our investment portfolio.

VALUE PROTECTING ACTIVITIES

We have a sound governance and integrated risk management process in place to ensure that we are able to protect the intrinsic value and prospects of our investments.

GENERATING AND SUSTAINING VALUE

	REVENUE	COSTS	CRITICAL TACIT RESOURCES AND RELATIONSHIPS
FOOD	<ul style="list-style-type: none"> • Retail Sales • Franchise royalties • Restaurant sales 	<ul style="list-style-type: none"> • Rent • Food supplies • Infrastructure investment • Taxation 	<ul style="list-style-type: none"> • Vertically integrated supply chain • Certification (e.g. Halaal) • Suppliers
MATERIAL IMPACTS ON VALUE			
Employment opportunities, particularly for under-skilled and previously unemployed			
GAMING AND LEISURE	<ul style="list-style-type: none"> • Sustained financial returns for shareholders 	<ul style="list-style-type: none"> • Positive contribution to transformation 	<ul style="list-style-type: none"> • Local procurement and enterprise development
MATERIAL IMPACTS ON VALUE			
Employment opportunities, particularly for under-skilled and previously unemployed			

KEY VALUE OUTCOMES

Our Burger King investment increased in market share serving a total of 18.6 million customers compared to 15.6 million in the prior year.

BURGER KING

REACHED R1 Billion IN SALES

MAC BROTHERS, reduction in headline loss contribution **97%**

Reversing a prior year loss of **R6.3 million** to a loss of R0.2 million in 2019

Grand Foods Meat Plant reduced its net loss after tax by **54%**

CENTRAL COSTS reduced by 22% to R43.9 million versus R56.3 million in 2018

86 CORPORATE OWNED STORES AS AT 30 JUNE 2019

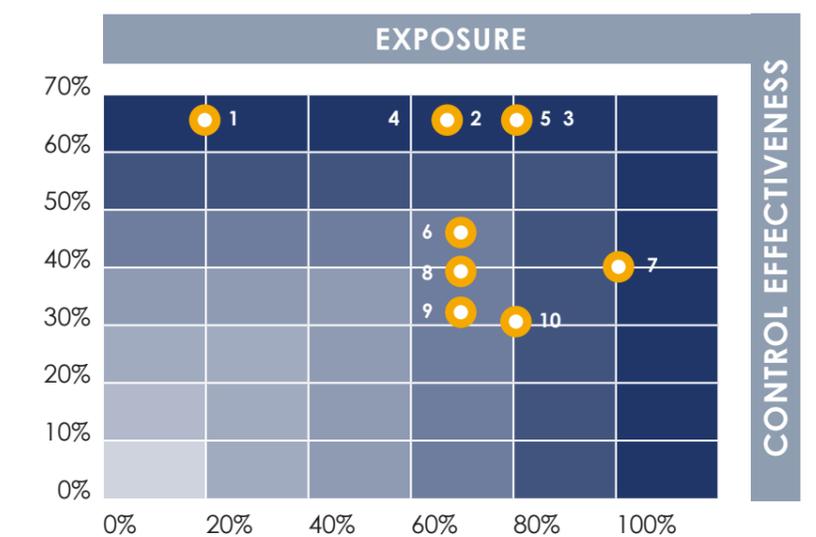
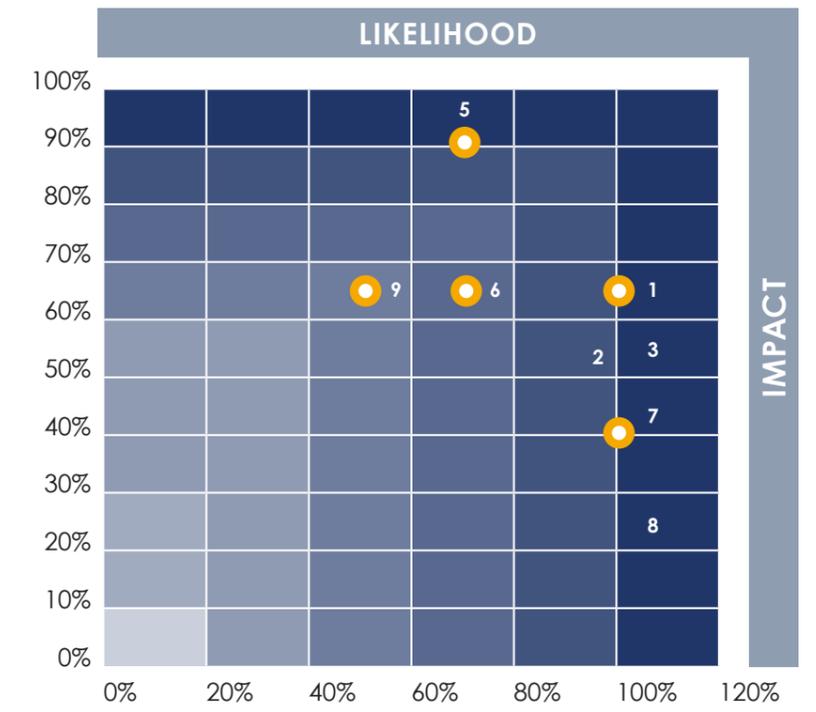
MAPPING OUR VALUE CREATION PROCESS



MATERIAL RISKS

TOP 10 RISKS

- 1 Poor allocation of capital
- 2 Over reliance on Gaming Assets
- 3 Cybersecurity breach
- 4 Non-Compliance with Master Franchise Agreements
- 5 Sluggish South African economy and low consumer confidence
- 6 Under performance of foods business
- 7 Adherence to good corporate governance practices
- 8 Changing environmental conditions
- 9 High turnover of executive management
- 10 BBBEE status: Sustaining compliance with new codes



CRITICAL RELATIONSHIPS AND RISK MANAGEMENT

Our capacity to deliver value depends ultimately on the quality of our relationship with those stakeholders who are fundamental to our business model, and on our demonstrated ability to address their material interests.

Therefore, we track the varying quality of our stakeholder relationships closely in conjunction with anticipating and strategically responding to their material issues, needs and concerns.



INVESTORS AND ANALYSTS

MATERIAL ISSUES, NEEDS AND CONCERNS

- Clarity on value creation strategy
- Detail on financial performance
- Candid communication that manages performance expectations
- Evidence of ability to effectively execute delivery on strategy
- Sound corporate governance
- Transparent executive remuneration



COMMUNITY AND NON-GOVERNMENTAL

MATERIAL ISSUES, NEEDS AND CONCERNS

- Evidence of good corporate citizenship, including water and waste management, recycling, supply chain and human rights
- Addressing negative social impacts associated with gaming
- Addressing negative social impacts associated with sugar, salt and fat content of quick service restaurant (QSR) foods



EMPLOYEES AND REPRESENTATIVES

MATERIAL ISSUES, NEEDS AND CONCERNS

- Career progression and personal growth
- Appropriate remuneration
- Job security
- Empowerment and employment equity issues
- Safe, healthy and congenial working conditions



GOVERNMENT AND REGULATIONS

MATERIAL ISSUES, NEEDS AND CONCERNS

- Compliance with regulatory requirements
- Job creation, localisation, transformation and BBBEE delivery
- Sustained contribution to national tax base
- Transparency and clear communications



CUSTOMERS

MATERIAL ISSUES, NEEDS AND CONCERNS

- Positive customer experience
- Taste, quality, price, accessibility and food safety (food investments)
- Fair operating practices (gaming investments)



SUPPLIERS

MATERIAL ISSUES, NEEDS AND CONCERNS

- Timely payment and fair contract terms
- Localisation and support for enterprise development



MEDIA

MATERIAL ISSUES, NEEDS AND CONCERNS

- Transparency on strategy, performance and governance
- Evidence of responsiveness to material stakeholder interest



OUR INVESTMENT PERFORMANCE

SALIENT FEATURES

R23 million

INCREASE IN OPERATING PROFIT
FROM CONTINUING OPERATIONS
VERSUS PRIOR YEAR

20.1 cents

INCREASE IN
HEADLINE EARNINGS PER SHARE

R86.0 million

INCREASE IN
HEADLINE EARNINGS

32%

DECREASE IN DEBT/EBITDA FROM
CONTINUING OPERATIONS

OPERATIONAL HIGHLIGHTS

86

CORPORATE-OWNED
BURGER KING
RESTAURANTS AS AT
30 JUNE 2019

BURGER KING ACHIEVED
ANNUAL REVENUE IN EXCESS
OF

**R1
BILLION**

LEADING TO A POSITIVE
CONTRIBUTION TO HEADLINE
EARNINGS

STAFF COMPLEMENT
INCREASED FROM
2 910 TO

3 317

STAFF MEMBERS ACROSS
THE GROUP

Feb 2019

LIQUIDATED THE
UNPROFITABLE DUNKIN'
DONUTS BRANDS

REDUCED CENTRAL
COSTS' HEADLINE LOSS
CONTRIBUTION BY

22%

TO **R43.8 MILLION** FOR THE
PERIOD UNDER REVIEW



CHIEF EXECUTIVE OFFICER'S REVIEW



MOHSIN TAJBHAI

'The 2019 financial year marked the beginning of a new era for GPI, a year of change and renewed focus.'

The global recession, high unemployment rates and poor business confidence continued to weigh down on the South African economy evidenced by a 3.2% decline in GDP recorded in the first quarter of 2019 following a marginal 1.4% increase in the last quarter of 2018.

Overall the food and beverage sector decreased by 0.6% over the year, an indication that consumers are feeling the effects of the tough economic climate. Takeaways and fast food outlets however, provided a glimmer of hope, mitigating losses in the food and beverage sector with a positive 3.6% contribution to the sector over the last year. This is a sign that consumers are trading down from high-end sit-down restaurants to fast food outlets, providing a great opportunity for GPI that owns and operates 86 Burger King restaurants in South Africa.

Despite the harsh economic backdrop, GPI weathered the storm extremely well and has delivered a strong set of results driven primarily by a stellar performance from Burger King, which recorded a 34% increase in revenue and more than doubled EBITDA from R22.4m to R53m for the year. Furthermore, the positive contribution of Grand Foods Meat Plant and Mac Brothers also added to the overall improvement of the foods business.

The 2019 financial year marked the beginning of a new era for GPI, a year of change and renewed focus. In July last year the current executive management team took the reins of the business, fuelled with a desire to make a difference and regain the confidence of the market. Management's focus over the year was to implement a value-based strategy across the Group in order to optimise capital allocation and drive value creation across the Group. This strategy prioritised the following strategic initiatives for the financial year:

1. Exit non-profitable businesses
2. Restructure head office to reduce central costs
3. Improve profitability of existing operational businesses
4. Exit all non-core investments to reduce debt
5. Growth of Burger King
6. Building a high-performance culture
7. Compliance with all regulatory bodies

'Despite the harsh economic backdrop GPI weathered the storm extremely well and has delivered a strong set of results driven primarily by a stellar performance from Burger King ...'

The report below outlines the performance of the Group against these strategic initiatives:

Initiatives	Status	Impact
<i>Exit non-profitable businesses</i>		
Liquidation of Dunkin Donuts and Baskin Robbins	Complete	Savings of approximately R15 million since closing
Closing down of Grand Foods Bakery	Ongoing	Asset held for sale and will be disposed in the next financial year
<i>Restructure to reduce head office costs</i>		
Decentralised the finance function	Complete	Improved efficiency, speed and accuracy of reporting
Reduced the size of the head office team	Complete	15% reduction in base cost. Overall head office cost increased by 10% due to once off retrenchment and legal costs
Optimised the central cost charge back model to a consumption-based model	Complete	Improvements allowed management to identify areas of efficiency
<i>Improve profitability of operational foods businesses</i>		
Focus on driving bottom line profitability of Burger King	Complete	Burger King reported a headline earnings contribution of R12.3 million
Close down unprofitable restaurants	Complete	Closed down five poor performing restaurants resulting in impairment of R7.3 million and projected savings of R9 million
Improve bottom line profitability of Meat Plant and reduce cash burden on the Group	Complete	Grand Foods Meat Plant reported a headline earnings contribution of R800 000
Improve Profitability of Mac Brothers	In progress	Improvement in headline earnings contribution of R5.6 million
<i>Exit all non-core investments to reduce Debt to EBITDA to 4 times</i>		
Sale of BEE Spur shares back to Spur Corporation	In progress	Management entered into an agreement with Spur Corporation. The deal is subject to Spur shareholder approval with anticipated closing date of 30 September 2019
Sale of 33 Heerengracht	Incomplete	Poor performance of the property sector has made it difficult to get an acceptable offer on the building
<i>Growth of Burger King</i>		
Restaurant growth	Complete	11 new restaurants opened
System wide revenue growth	Complete	25% increase in revenue. R1.1 billion in revenue recorded for the financial year
Same store sales growth	Complete	10.8% Same Store Sales growth achieved across the BKSA network
EBITDA growth of 2x	Complete	34% system wide growth achieved
<i>Building a high-performance culture</i>		
Business unit objectives and KPIs aligned with Group objectives and KPIs	Complete	Alignment of KPIs improved motivation and overall performance
Rewards and recognition programme	Ongoing	Aim is to drive objectives and KPIs of the Group through the programme and reduce staff turnover
<i>Compliance with all regulatory bodies</i>		
Gaming board compliance	Complete	Compliant
BBBEE Level 2	Complete	Achieved a Level 3
Master Franchise Development Agreement	Complete	Compliant

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)



OPERATIONAL CONTEXT

Foods business review

Burger King has been the star performer in our portfolio and has achieved impressive growth over the period. This year we added 10 new restaurants and closed four, bringing our total up to 86 corporate owned stores at the end of the financial year. The business generated an increase of 34% in system wide sales which was driven by new restaurant sales as well as a strong increase in same store sales of 10.3%. The business has exceeded a billion Rand in turnover and for the first time since opening generated a bottom-line profit.

The medium-term inflationary increases, which commenced from around July 2017 to May 2018, put margins under pressure leading into the financial year. These included an approximate 50% increase in beef prices, a 37% increase in Sugary Carbonated Drinks, the VAT increase absorbing 0.4% of gross margin as a percentage of revenue and a 17% increase in the base labour wage rate. Despite these pressures, the team managed to restore margins through effective negotiation with manufacturers, distributors, landlords and the further unlocking of labour efficiencies. This translated to an increase in the Restaurant EBITDA margin from 6.6% in the prior year to 8.6% in the current year. Over the year the business has more than doubled EBITDA from R22.9m in the prior year to R53.7m in the current year.

MANUFACTURING

Grand Foods Meat Plant

Grand Foods meat Plant has performed well over the year off the back of Burger King. Production increased by 13% over the year from 2 200 tonnes to 2 500 tonnes while revenue for the year increased by 21% compared to the prior year. EBITDA increased by 280% from

R879k in the prior year to R3.3m in the current year. The maximum capacity of the plant with the existing infrastructure is 6 600 tonnes leaving the current utilisation at just under 40% with sufficient capacity to cater for the growth in Burger King over the next five years.

Net profit after tax improved from a loss of R3.5m in the prior year to a loss of R1.6m in the current year. Although the plant is still loss making it is a strategic asset that allows us to partially control the largest input cost into Burger King. With the growth in Burger King over the next year the plant is expected to achieve bottom line profitability over the next year.

Mac Brothers

This year Mac Brothers focused on three strategic objectives:

- Reduction in operational expenditure
- Driving sales into Africa
- Product diversification through the Mac-Care Brand.

Mac Brothers has had an impressive year despite being exposed to the construction industry. Revenue for the year decreased marginally by 0.4% due to a decrease in local sales. Africa sales however, increased by 50%. Gross profit for the year was up 1.2% due to higher Africa sales.

Management's efforts to reduce operational expenditure resulted in a decrease in operational expenditure by R6.3m which led to a significant improvement in EBITDA. EBITDA for the year increased from R42 000 in the prior year to R7 million in the current year.

Our focus over the next year is to further increase sales into Africa. The business has seen excellent growth into Africa which has mitigated the effects of the low growth in the South African economy. In addition, the team will continue to market the Mac-Care range of equipment which caters for the hospital market.

Management's efforts to reduce operational expenditure resulted in a decrease in operational expenditure by R6.3m which lead to a significant improvement in EBITDA.

Empowerment is core to our DNA, it's how the business was established in 1997, through an empowerment partnership with Sun International which has been the cornerstone of the business.

GAMING REVIEW

SunWest has had a tough year affected by the local trading conditions and the global recession. Overall GrandWest is still one of the best performing casinos in the country. Over the year both revenue and EBITDA declined 1%.

Sun Slots has had an excellent year with revenue increasing by 10.6% over the period. The growth in revenue can be attributed to a strong performance in the Western Cape and Gauteng. EBITDA increased by 20.8% over the period largely due to revenue growth and a decrease in operational expenditure.

Worcester has had a challenging year. Revenue for the year is down by 8.3% driven predominantly by a drop in footfall and lower than expected occupancy levels which is a direct result of the sluggish economic environment. EBITDA for the period was down 27% compared to prior year

Strategy

GPI's vision is to be the leading empowering investment holding company listed on the JSE.

Empowerment is core to our DNA, it is how the business was established in 1997, through an empowerment partnership with Sun International which has been the cornerstone of the business.

Our guiding principles include;

- Using an entrepreneurial approach to investing
- Adopting an active management investment philosophy
- And remaining dividend active

Our focus is to invest in quality assets in the broader consumer space, that essentially will create one entry point for investors and offer capital growth in the longer term. All this while maintaining a healthy balance sheet with low gearing levels is imperative, particularly during a tough trading environment.

The investments in our gaming assets and Spur remain core to our business model and provide a strategic and steady annuity income that underpins the cash flow required to fund the growth of our operational assets.

The strategy for our operational foods assets is to maximise value. This has prompted a deep introspection into our portfolio to understand whether they are creating or destroying value, based on an economic profit model. This approach has allowed us to prioritise capital to assets with higher value potential. We believe that Burger King has an extremely high value potential based on the popularity of the brand in South Africa and the massive potential for growth.

Narrowing the discount at which our share price trades to iNAV is one of our primary focus areas over the next year. We believe that this can be achieved by the following:

- Adopting a value-based approach and optimizing capital allocation
- Better communication of our strategy as a business
- Partially exiting mature operational businesses and realigning with our active investment philosophy.

Prospects

While the uncertainty around the socio-political situation in South Africa continues to have an impact on our economy, management continues to adopt a cautious approach to navigate through these tough economic conditions.

GPI's value proposition lies in the balance between highly cash generative investments and assets with good opportunities for growth. Over the next year we will continue the expansion of Burger King and have planned 12 new store openings.

We see growth in our existing foods business driven by the steady growth of

the QSR sector as well as the leveraging off the opportunity that convenience has to offer. We are well on track with an omni-channel enablement that will allow us to capitalise on these trends to continue our current sales growth.

The Group's focus is to be dividend active and strive towards sustainable value creation for all stakeholders. We have taken steps to exit non-performing business which will reduce the cash drain on the Group. In addition, we are well on track to substantially reduce gearing over the next year which will free up cash and allow the Group to resume its dividend payments.

Appreciation

It has truly been an honour to be part of an incredible executive management team. During the year the team has pulled together under challenging conditions and delivered a strong set of results. I would like to thank the executive management team for their continued support and effort which has turned the business around over the last year.

Grand Parade Investments employs over 3 000 employees and I would like to take this opportunity to thank each one for their contribution to the success of the business.

I would like to thank our Chairman Hassen Adams for his guidance and mentorship as well as the GPI Board for their effort in driving the strategic direction of the business and their support in our constant search for excellence.

Lastly, a very special thanks to all of our shareholders that supported us in our vision of being the leading empowering investment company.

Mohsin Tajbhai
Chief Executive Officer

GROUP FINANCIAL DIRECTOR'S REVIEW



COLIN PRIEM

GPI reported a considerable increase of 180% in headline earnings per share, improving from a loss of 11.18 cents in the prior year, to a profit 8.91 cents for the 2019 financial year.

Operating profit from continuing operations improved by 104% for the year from a profit of R21.6m in the previous year to a current year profit of R44.2m.



INTRODUCTION

Economic conditions in South Africa continued to deteriorate over most of the last financial year. After declining in the first quarter of 2019 the economy avoided a technical recession in the second quarter. These tough macro-economic conditions affected consumer spending which in turn had a negative impact on the retail, food and beverage sectors in South Africa.



Despite these challenging economic conditions, GPI has:

- managed to grow its leading foods brand, Burger King, significantly during the financial year to June 2019, exceeding a billion Rand in revenue for the period under review;
- reduced our corporate costs' headline loss to R43.9 million;
- reported an increase of 179% in headline earnings; and
- increased our staff complement from 2,910 to 3,317 staff members an increase of more than 400.

GPI reported a considerable increase of 180% in headline earnings per share, improving from a loss of 11.18 cents in the prior year, to a profit 8.91 cents for the 2019 financial year. This can be attributed to an improvement in the headline earnings contribution of all operational businesses and the closure of the Dunkin' Brands businesses which assisted in mitigating losses associated with these brands.

Operating profit from continuing operations improved by 104% for the year from a profit of R21.6m in the previous year to a current year profit of R44.2m.

Although the impairments of the Dunkin' Brands businesses had a negative impact on the basic earnings per share, the subsequent savings made after closure had a positive impact on headline earnings. All impairments have been finalised during the last quarter of the financial year and no further adjustments are anticipated.

GROUP FINANCIAL REVIEW

The Group uses headline earnings to assess the underlying investment contributions to the Group's earnings. The reason for using headline earnings is that it eliminates the once-off effects of the Group's investment activities and therefore provides a comparable view of the Group's continuing earnings.

GPI reported a significant increase in headline earnings from a loss of R48.0 million in the prior year to a profit of R38.0 million at the end of June 2019.

The main contributors to the increase in headline earnings were:

- Burger King reported a significant R38.8 million improvement in headline earnings with a positive (profit) contribution of R11.7 million compared to a loss R27.1m in the prior period. The profitability of the business has been long awaited by the investment community and is a major milestone in the life of the business This was driven by strong top line growth due to new restaurant sales and a substantial increase in same store sales of 10.3% compared to the prior year. Gross margin gains during the 2nd half of the financial year and an improvement in labour margins, further assisted the increase in the headline earnings contribution.
- The improvement in headline loss contributions of Grand Foods Meat Plant and Mac Brothers of 54% and 97% respectively.
- Sun Slots contributed R55.2 million for the period compared to R36.7 million in the prior year, a 50% increase.
- The decision to liquidate the Dunkin' Brands businesses and the savings associated with the closure of the businesses, led to a reduction in the loss contribution of R26.1 million.
- Corporate costs before net central finance income for the period decreased by 22% to R43.9 million compared against R56.3m in the prior year. This is largely as a result of reduced tax due to a centralisation process in the holding company and a R9.5 million receivable from Leratadima impaired in the prior period, which was offset by once off retrenchment costs and two special shareholder meetings held during the financial year.

GROUP FINANCIAL DIRECTOR'S REVIEW (CONTINUED)

The table below shows the contribution each investment made to the Group headline earnings/(losses):

	30 June 2019 R'000	30 June 2018 R'000	R'000	Movement %
Food	10 454	(36 288)	46 742	129
Burger King	11 749	(27 082)	38 831	143
Mac Brothers	(212)	(6 324)	6 112	97
Spur	512	608	(96)	(16)
Grand Foods Meat Plant	(1 595)	(3 490)	1 895	54
Gaming	132 136	117 076	15 060	13
SunWest	74 855	77 739	(2 884)	(4)
Sun Slots	55 121	36 786	18 335	50
Worcester Casino	2 160	2 551	(391)	(15)
Central costs	(61 039)	(59 148)	(1 891)	(3)
Corporate costs (excluding net finance income)	(43 878)	(56 265)	12 387	22
Net corporate finance income	(16 932)	(7 786)	(9 146)	(117)
GPI Properties	(229)	4 903	(5 132)	(105)
Continuing operations	81 551	21 640	59 911	277
Discontinued operations	(43 564)	(69 659)	26 095	37
Dunkin' Donuts	(25 147)	(36 624)	11 477	31
Baskin-Robbins	(11 466)	(24 863)	13 397	54
Grand Bakery	(6 951)	(8 172)	1 221	15
Headline loss after tax	37 987	(48 019)	86 006	179

DIVIDENDS

No dividends were declared and paid during the financial year.

CAPITAL STRUCTURE

The Group reduced its debt by R39.0 million net of interest capitalised during the year due to a repayment of R32.0 million on preference debt and R7.5 million on term loans. Furthermore, the Group subsidiaries reduced finance lease liabilities in line with the repayment terms.

The debt equity ratio remains within the targeted range of between 20.0% and 35.0% with our debt to EBITDA reducing from 4.98 times to 3.37 times over the last year.

	30 June 2019 R'000	30 June 2018 R'000	Movement R'000	%
Holding company facilities	490 551	507 118	(16 567)	(3)
SunWest	230 267	251 673	(21 406)	(9)
Spur	260 284	255 445	4 839	2
Subsidiary facilities	69 800	92 249	(22 449)	(24)
GPI Properties	59 776	67 229	(7 453)	(11)
Mac Brothers	4 267	8 704	(4 437)	(51)
GF Meat Plant	5 093	14 645	(9 552)	(65)
Burger King	628	1 324	(696)	(53)
Baskin-Robbins	-	124	(124)	(100)
Dunkin' Donuts	-	153	(153)	(100)
GPIMS	36	70	(34)	(49)
Total debt	560 351	599 367	(39 016)	(7)
Debt/EBITDA	3.37	4.99	(1.62)	(32)
Debt/equity	30.3%	30.5%	0.2%	0.66

CENTRAL COSTS

The Group's net central costs excluding finance costs for the year amounted to R43.9 million, which is 22% lower than the central costs of R56.3 million last year. This is as a result of a centralisation process in the holding company leading to a reduced tax charge, a R9.5 million receivable from Leratadima impaired in the prior year and a reduction in employee costs which was offset by once off termination cost and special general meetings held during the year.

SHARE CAPITAL

No new shares were issued or bought back during the period.

TREASURY SHARES

At 30 June 2019 a total of 43.8 million GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's BBEE Empowerment Trust. These entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 4.98 million treasury shares, GPI Management Services holding 24 million shares and the GPI Women's' BBEE Empowerment Trust holding 14.82 million treasury shares.

PREFERENCE SHARES

During the current year, the Group redeemed 1 063 redeemable preference shares (SunWest) to Standard Bank at an issue price of R25 400 per share, totalling R27.0 million, and 5 000 redeemable preference shares (Spur Class "A") to Standard Bank at an issue price of R1 000 per share, totalling R5.0 million.

BORROWINGS

The terms of the Group's borrowings are fully disclosed in Note 26 of the Consolidated Annual Financial Statements. In terms of the Memorandum of Incorporation of the Company and its subsidiaries, the borrowing powers of the directors of these companies are unlimited.



SUMMARY

REDUCED DEBT BY
▼ **R39.0 million**

DEBT EQUITY RATIO WITHIN RANGE
◀ **20% – 35%** ▶

DEBT TO EBITDA REDUCED TO
▼ **3.37 times**





GROUP FINANCIAL DIRECTOR'S REVIEW (CONTINUED)

The Group's net central costs excluding finance costs for the year amounted to R43.9 million, which is 22% lower than the central costs of R56.3 million last year.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Details of the Group's capital commitments are disclosed in Note 37 of the Consolidated Annual Financial Statements.

SUBSIDIARY COMPANIES AND INVESTMENTS

Particulars of subsidiary companies, equity accounted investments and other investments are disclosed in Appendix 1 and Appendix 2 of the Consolidated Annual Financial Statements.

DIRECTORS

Colin Priem was appointed as Financial Director with effect from 1 July 2018. Colin Priem was previously a non-executive Director and stepped down from all the Board sub-Committees. Prabashinee Moodley was appointed as Chief Executive Officer of the Group on 1 August 2018 and resigned as Chief Executive Officer and director of the Company with effect from 7 December 2018. Mohsin Tajbhai was appointed as an executive director of the Company on 28 November 2018 and promoted to the position Chief Executive Officer of the Group on 1 July 2019.

On 5 December 2018, Nombeko Mlambo and Rasheed Hargey were removed as non-executive directors of the Company and on the same date Ronel van Dijk and Mark Bowman were appointed as non-executive directors of the Company. Norman Maharaj resigned as a non-executive director on 30 April 2019 and Keshan Pillay was appointed as a non-executive director on 11 July 2019.

Hassen Adams stepped down as Executive Chairman of the Group on 30 June 2019 and was appointed as non-executive Chairman on 1 July 2019. Walter Geach, who was an existing Independent non-executive director of the Group, was appointed as Lead Independent non-executive director on 9 September 2019.

DIRECTORS' INTERESTS IN CONTRACTS

Details of the directors' interests in contracts and transactions with the Group are disclosed in Note 36 of the Consolidated Annual Financial Statements.

DIRECTORS SHAREHOLDING

Details of the directors' interests in the shares of the Company are disclosed in Appendix 3 of the Consolidated Annual Financial Statements.

GOING CONCERN

These Annual Financial Statements have been prepared on the going concern basis. The Board has performed a review of the Group's ability to continue trading as a going concern in the foreseeable future and, based on this review, consider that the presentation of the financial statements on this basis is appropriate.

There are no pending or threatened legal or arbitration proceedings which have had or may have a material effect on the financial position of the Group.

SUBSEQUENT EVENTS

SUN SLOTS

In May 2019, through an unsolicited bid, Sun International offered to purchase the remaining 30% of GPI's equity at a total purchase consideration of R504 million. Following approval from the Investment Committee, management have concluded a share repurchase agreement with Sun Slots for the above-mentioned consideration. The deal is a category 1 transaction and is thus subject to an ordinary resolution by the shareholders of GPI. Approximately R220 million will be used to pay down preference share debt secured by the asset. It is also management's intention to propose a special dividend and/or share buy-back with a portion of the remaining cash.

SPUR

In June 2019, GPI entered into an agreement with Spur to sell back its B-BBEE portion of equity in Spur, 10.8 million shares for R24 per share, a total purchase consideration of R260 million. The entire purchase consideration will be used to pay down debt, which was used to fund the initial transaction.

RELATED PARTIES

The Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2018.

Details of related parties and transactions are disclosed in Note 36 of the Consolidated Annual Financial Statements.

COLIN PRIEM
Group Financial Director



OUR INVESTMENTS



BURGER KING SOUTH AFRICA

OVERVIEW



The total number of Burger King restaurants as at 30 June was 92 of which 86 are corporate owned. The net restaurant movement for the year totalled six, which included the opening of 10 new restaurants and the closure of four unprofitable restaurants.

Average monthly restaurant revenues (ARS) increased by 14.3% from R0.911 million last year to R1.042 million this year, largely as a result of positive restaurant comparative sales of 10.32% (2018: 3.45%).

Burger King's total revenue for the year increased by 34.2% from R756.2 million in the prior year to R1.015 billion in the current year. Burger King continued to focus on market share growth by actively managing their menu pricing architecture to increase traffic through stores.

The medium-term inflationary increases which commenced from around July 2017 to May 2018 included an approximate 29% increase in beef prices, a 27% increase in Sugary Carbonated Drinks, the VAT increase absorbing 0.4% of gross margin as a % of revenue and a 17% increase in the base labour wage rate.

These increases were partially negated through effective negotiation with manufacturers, distributors, landlords and the further unlocking of labour efficiencies. This translated to an increase in the Restaurant EBITDA margin from 6.6% in the prior year to 8.6% in the current year.

Of significant importance is the improvement of Company EBITDA from a profit of R22.9 million to a profit of R53.7 million in the current financial year.

A total of 18.6 million customers were served compared to 15.6 million in the prior year.

PROSPECTS

Burger King's vision is to create a profitable restaurant network by delivering the best customer experience, serving the best quality burgers, made by confident, bold people.

2020 promises to see the results of a full 12-month period of sustainable margins from existing restaurants, and impressive new restaurant performance flowing through to the bottom line.

With Burger King being self-funding in 2019, any additional investment in restaurants in 2020 may be viewed as an opportunity to invest in highly profitable locations to unlock accretive value.

Approximately 18 locations have been identified in which lease negotiations are at an advanced stage resulting in the potential to open up to 12 new stores in 2020. Further, an investigation into the restaurants that are creating a significant drag to the profitability of the business will either be re-modelled, relocated or consolidated.

Focus will remain on filling product innovation gaps and capitalising on opportunities like Home Delivery.



MAC BROTHERS CATERING EQUIPMENT

OVERVIEW



The difficult trading conditions in the manufacturing and construction sectors continued to hamper Mac Brothers sales and margin growth. Revenue decreased marginally by 0.2% to R223.6 million (2018: R224.2 million), whilst Company EBITDA increased from R0.04 million to R7.0 million, mainly as a result of the continued reduction in overheads, reduced stockholdings and improved product costing.

The operating costs for the year amounted to R57.4 million which is 10% lower than the operating costs of R63.7 million incurred in the prior year due to the factors mentioned above.

Mac Brothers recorded a reduction the headline earnings loss contribution of 97% from a loss of R6.3 million in the prior year to a loss of R0.2 million in the current year.

VISION

The Mac Brothers vision is to be the leading manufacturer of stainless steel equipment on the continent within the next 5 years. The plan is to grow their African footprint through agency networks, enhance the existing food equipment range with bespoke cooking & bar suites and develop traction with the Mac Care medical equipment range through better quality and service at competitive prices.



GRAND FOODS MEAT PLANT

OVERVIEW

100%

EFFECTIVE OWNERSHIP

R1.6M

LOSS TO GPI HEADLINE EARNINGS
(2018: R3.5M LOSS)

R153M

REVENUE
(2018: R124M)

33

EMPLOYEES
(2018: 28)

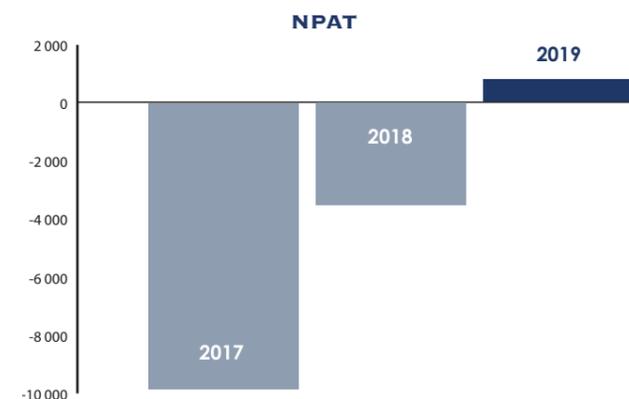
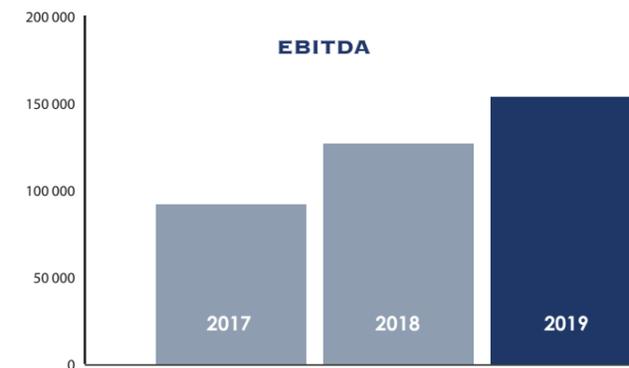
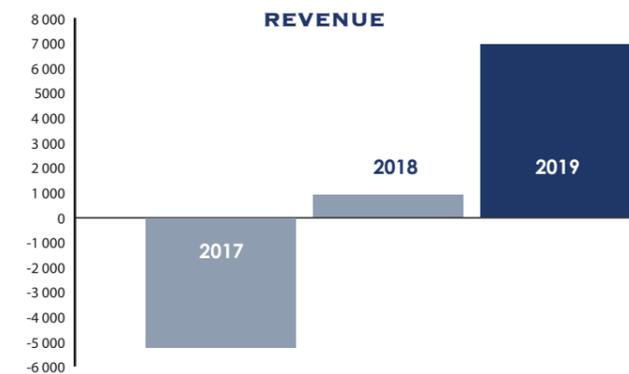
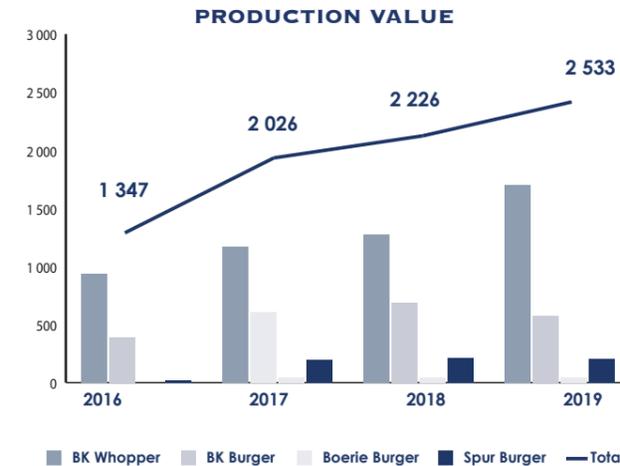
Grand Foods Meat Plant has performed well over the year off the back of Burger King. Burger King remains the largest customer with 90% of the sales. The plant also supplies Spur with frozen patties as well as the Grill Father.

Grand Foods Meat Plant is exposed to Burger King indirectly through their agreement with Burger King's main supplier, Digistics.

As a result of Burger King's 34.2% increase in revenue, Grand Foods Meat Plant's revenue increased by 23% from R124 million last year to R153 million this year. Cost of sales in the current year increased by 21% from R111.4 million to R134.3 million.

Gross margin for the year increased by 2% points from 10% to 12% due to lower beef prices in the 2nd half of the year caused by the shutdown of beef exports. Grand Foods Meat Plant's earnings for the year resulted in a R1.6 million loss after tax, which is a 54% improvement compared to the R3.5 million net loss reported last year.

Production increased by 13% over the year from 2 200 tonnes to 2 500 tonnes. The maximum capacity of the plant with the existing infrastructure is 6 600 tonnes leaving the current capacity at just under 40%.





SUNWEST

OVERVIEW

15.1%

EFFECTIVE OWNERSHIP

R74.9M

CONTRIBUTION TO GPI HEADLINE EARNINGS (2018: R77.7M CONTRIBUTION)

R66.4M

DIVIDENDS (2018: R60.4M)



SUN SLOTS

OVERVIEW

30%

EFFECTIVE OWNERSHIP

R55.1M

CONTRIBUTION TO GPI HEADLINE EARNINGS (2018: R36.8M CONTRIBUTION)

R48M

DIVIDENDS (2018: R18M)



WORCESTER CASINO

OVERVIEW

15.1%

EFFECTIVE OWNERSHIP

R2.2M

CONTRIBUTION TO GPI HEADLINE EARNINGS (2018: R2.6M CONTRIBUTION)

R2.4M

DIVIDENDS (2018: R2.5M)



SPUR CORPORATION

OVERVIEW

17.8%

EFFECTIVE OWNERSHIP

R0.5M

CONTRIBUTION TO GPI HEADLINE EARNINGS (2018: R0.6M CONTRIBUTION)

R23.7M

DIVIDENDS (2018: R23.7M)



CSI INITIATIVES

BURGER KING SOUTH AFRICA® DO GOOD INITIATIVES



KEY HIGHLIGHTS

MANDELA DAY

Mandela Day, on the 18th of July, serves as a reminder that individuals and corporates have the power to transform the world and the ability to make an impact, no matter how small.

Burger King South Africa® donated funds to the Inamandla Day Care Centre in Khayelitsha, which acts as an early childhood development (ECD) centre for kids under the age of five.

The donation helped fund the kitchen, office and sick bay facilities for the little ones at the day care and due to this contribution, the centre is now able to register with the Department of Social Development for further funding and assistance.

The new and improved facilities were unveiled on Mandela Day and in true Burger King® fashion, the kids were treated to great fun and King JR® meals.

INAMANDLA BEACH DAY

At Burger King South Africa® our ethos is deeply rooted in people, through food and service. We did not bat an eyelid when we were approached by Breadline South Africa to join forces and make the dreams of our favourite little people from Inamandla Day Care a reality. For the first time ever, the kids enjoyed a trip to the beach where it was all fun, games, laughter and great food.

BOAT CHAMPIONSHIPS

Our mantra in Burger King® is that we serve good food, fast. What better way to illustrate our love for all things fast than to sponsor team 21 in the boat championships? Of course we do not believe in half measures so we re-branded the team boat and some of their gear with flames. The team had a great showing as they sped through the waves.

MAC BROTHERS SOCIAL AND ENVIRONMENTAL ENGAGEMENTS

KEY HIGHLIGHTS

MANDELA DAY

2018 Mandela Day Activation in Alexandra SPUR Foundation 9 ECD centres. Mac Brothers provided the equipment and smalls required for the 9 ECD centres in Alexandra, Johannesburg.

SA CHEFS ASSOCIATION PATRON MEMBER

- Sponsorship of equipment for the culinary competitions theatre at HOSTEX 2018
- Sponsorship of the culinary demonstration and competitions theatres at Info Chef KZN and Gauteng with a joint exposure of over 3000 chefs
- Sponsorship of equipment to the National Culinary Team
- General sponsorship of equipment to The Young Chefs Club

CAASA

- Sponsorship of equipment for various charity events during the course of the past 12 months including training of women and children
- Sponsorship of equipment for youth competitions

MY KITCHEN RULES AUGUST 2018

- Sponsorship of Bertha Ovens to My Kitchen Rules
- Great Exposure was had for the use of the Bertha ovens on this program

SPUR FULL TUMMY FUND RAISING GOLF DAY

22nd May 2019- Mac Brothers sponsored prize of 1 Staycold Fridge for nearest to Pin and 1 single door Wolf fridge for Heads and Tails.

NGWELEZANA HOSPITAL

PAEDIATRIC BURNS UNIT

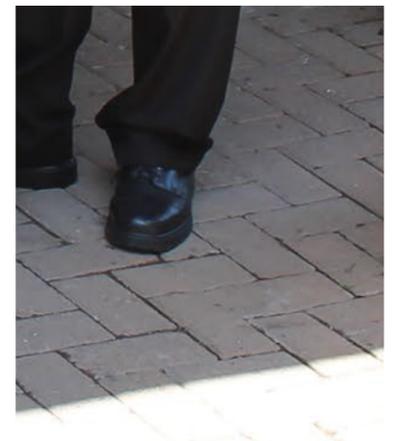
Donation of: R145 422,74 to the Carte Blanche Making a Difference Trust in KZN
The handover took place on the 18th June 2019. 22 Bed Pediatric Burns Unit, state of the art facility including ICU



KEY HIGHLIGHTS

WORLD SKILLS NATIONAL CULINARY COMPETITION IN DURBAN

- Culinary competition for people under 22 years old to encourage and empower them for future employment
- Mac Brothers provided, set up and maintained the kitchens for the duration of the International event





CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

As a black economic empowerment company, GPI strives to ensure that its workforce and Board composition is representative in terms of race and gender diversity.

As the ultimate governing body of the GPI Group, the Board is committed to providing ethical, accountable and effective leadership and to ensuring that the businesses and affairs of the Group are managed responsibly. The Board continued to practice corporate governance aimed at promoting value creation and long-term sustainability to generate value and benefits for all stakeholders.

Responsibility for ensuring full and effective control of the Group's businesses, as well as the overall strategy, performance and governance of the Group, rests with the Board. The day-to-day responsibility for ensuring that the group's businesses are managed appropriately rests with executive management who have clearly defined roles and reporting lines to the Board. The directors confirm that during the 2019 Reporting period the Group has in all material respects applied the King Code of Governance Principles for South Africa 2016™ (King IV) and where such application has not been complied with, explains the factors and circumstances resulting in an alternative application.

KING IV

The King IV Report came into operation on 1 November 2016 and on 19 June 2018 the JSE Listings Requirements ("Listings Requirements") were amended to include provision for the adoption of King IV and other governance arrangements.

THE BOARD OF DIRECTORS

The Board believes that its composition must reflect:

- a wide range of attributes and competencies (as opposed to similar overlapping qualities) that will position the Board to collectively provide good corporate governance and strategic oversight; and

- a diversity of perspective and views that will lead to more innovation, better risk management, and will better enable the Board to anticipate and consider the concerns and perspectives of all key stakeholders.

Board structure

The Board provides direction and leadership to the Group and is ultimately accountable for the overall governance, performance, strategy and affairs of the Group. The Board delegates authority to the relevant Board Committees to ensure that all aspects of strategy, performance and governance are applied.

The roles of the Chairman and the Chief Executive Officer (CEO) are clearly defined. The Chairman is responsible for leading the Board and ensuring that the Board and its committees are effective and act with integrity. The Chief Executive Officer is responsible for managing and running the Company's business effectively in accordance with the strategy and objectives approved by the Board.

Composition of Board

The Group has a unitary Board structure and at the end of the Reporting period had four non-executive directors of which three were independent and three full-time salaried executive directors.

Post the reporting period, Dr Hassen Adams stepped down as Executive Chairman on 30 June 2019 and became non-executive Chairman of the Group on 1 July 2019. The Lead Independent non-executive director, Dr Norman Maharaj resigned on 30 April 2019 and Prof Walter Geach was appointed to the role of Lead Independent non-executive director on 9 September 2019. Keshan Pillay was appointed as an independent non-executive director on 11 July 2019.

The Board and Board members have clearly defined responsibilities and this division of responsibilities ensures a balance of authority and power, with no individual director having unrestricted powers and decision-making authority.

The Board is of the view that it possesses the appropriate mix of knowledge, experience, skills, age and culture and that these attributes collectively contribute to better decision-making and effective governance at Board level.

Race and diversity policy

As a black economic empowerment company, GPI strives to ensure that its workforce and Board composition is always representative in terms of race and gender diversity. The Board has nevertheless adopted a Policy on gender and race diversity at Board level to formalise its objectives for the continued achievement of diversity.

The Remuneration and Nomination Committee, in collaboration with the Social and Ethics Committee will consider and annually agree on measurable targets for achieving race and gender diversity at Board level. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider individuals on merit against objective criteria and with due regard for the potential benefits of race and gender diversity.

The Group has set a target to ensure that the Board composition remains at a minimum 25% female and 75% black representation and have not complied with this during the reporting period to 30 June 2019.

Board appointments

Directors are appointed by the Board in a formal manner. The Remuneration and Nomination Committee, in consultation with the Chairman of the Board, considers suitable candidates and nominates persons for appointment as directors taking into account the requirements of the business. These include skills, qualifications and experience as well as race and gender diversity requirements to ensure that the Board and Committees' compositions are appropriately balanced.

Proposals for election/re-election to the Board are, after review, recommended by the Nomination Committee and are considered by the Board, subject to the approval/ratification of shareholders.

One-third of the company's executive directors are required to retire by rotation at the Annual General Meeting (AGM) of shareholders. Retiring directors may offer themselves for re-election and directors appointed during the period are required to have their appointments ratified at the following AGM. Details of these directors are given in the Notice of AGM which is distributed to shareholders and is also available online on the Company's website www.grandparade.co.za.

At the AGM on 28 November 2019, Messrs Abercrombie, Bowman and Van Dijk will retire and offer themselves for re-election.

On appointment, a director receives a formal letter of appointment together with a pack of the relevant statutory information to ensure an understanding of the provisions of the Act and the obligations of directors. The director is also provided with information on the

Group's strategy, operational activities, and the products and services offered by the various divisions. New directors are informed of the closed periods for dealing in the Company's securities, the procedure they are required to follow before dealing in securities as well as details pertaining to related party transactions

Director independence

Professor Walter Geach, Mr Mark Bowman, Ms Ronel van Dijk and Mr Keshan Pillay are classified as independent non-executive directors. The Board is satisfied that these directors, through their actual conduct at Board and Committee meetings, have displayed independence of mind in their decision-making and that there are no relationships or circumstances which could affect, or could appear to affect, their independence.

Dr Hassen Adams and Mr Alex Abercrombie have been directors of GPI since its inception 21 years ago. The Board is of the view that the historical knowledge that these directors have of the Company and its businesses, together with the specific skills they each contribute, has contributed to the effectiveness of the Board and the committees on which they serve. The extended tenure of these directors is balanced by the remaining directors who have brought new perspectives and additional skills to the table.

Board Committee composition

Board Committees are constituted with due regard to the skills and experience required by each Committee in order to fulfil the relevant Committee's mandate and to ensure a balanced distribution of power. The Board Committees have clear terms of reference that define their powers and duties, and these are documented in Committee Charters which are regularly reviewed by each Committee and amended with the approval of the Board.

Management are invited to attend Board Committee meetings by way of standing invitations or on an ad hoc basis when specific contributions in their fields of expertise are required.

Further details about the Committee memberships and their terms of reference are given in the individual Committee reports on pages 58, 60 and 62.

Board and Committee evaluations

During the Reporting period the Chairman of the Remuneration and Nomination Committee, in consultation with the Chairman, evaluated the effectiveness of the Board and the Board Committees. No issues of material concern were raised in the evaluations and the Board is satisfied with its performance and effectiveness. Additionally, the Group has obtained the services of an external firm to conduct Board and Committee member evaluations.

The Board is similarly satisfied that all Board Committee members collectively have the skills and acumen to fulfil the respective committee's mandate and that all Committees have indeed performed their responsibilities in accordance with their terms of reference during the Reporting period.

Financial Director

The Audit and Risk Committee and the Board are satisfied that Mr Colin Priem possesses the appropriate experience and qualifications for this position. A review of the effectiveness of the Financial Director and the Finance function has been undertaken by the Audit and Risk Committee and the Committee is satisfied as to their effectiveness and that appropriate financial reporting procedures are in place and are operating. In this regard refer to the report of the Audit and Risk Committee on page 58 of this Report.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Company Secretary

All directors have access to the support and services of the Company Secretary who is responsible for the duties set out in section 88 of the Companies Act, No. 71 of 2008, as amended, ("Companies Act") and for ensuring compliance with the Listings Requirements.

The Company Secretary has been appointed as secretary of the standing committees of the Board and coordinates the functioning of the Board and its committees. In addition, the Company Secretary also ensures that the appropriate statutory and other records are maintained.

The Board confirms that the Company Secretary maintains an arm's length relationship with the Board and the directors and is not a director of the Company. The Board is of the opinion that the Company Secretary has the requisite competence, qualifications, knowledge and experience to carry out the duties of a secretary of a public company.

DEALING IN SECURITIES AND INSIDER TRADING

A policy on share dealings and insider trading is applied across the Group to all Company directors, the Company Secretary, prescribed officers and certain identified senior executives with access to financial results and other price-sensitive information. These individuals may not deal in shares of the Company during the 'closed periods' as defined in the Listings Requirements or whilst in the possession of unpublished price sensitive information concerning the business and affairs of the Group and its subsidiaries. The policy prohibits the dissemination of price-sensitive information pertaining to the Company by employees.

Directors and the Company Secretary are obliged to obtain the Chairman's written clearance (or in his absence, the LID's) prior to dealing in the Company's shares and all requests are referred through the Company Secretary for record-keeping purposes and to liaise with the Company's sponsors to disclose such dealings to shareholders on SENS.

During the Reporting period, the share trading policy was adhered to and the necessary clearance contemplated in the Listings Requirements was given prior to trading in GPI shares.

DISCLOSURES AND CONFLICTS OF INTEREST

Directors are obliged to avoid situations that may place them in conflict with the interests of the Company or the Group. In addition, interests must be declared before each Board meeting and procedures are in place for directors to provide the Company Secretary with full disclosure of any related-party transactions to which they or their immediate families may be party.

DIRECTORS' REMUNERATION

Details of the remuneration paid to directors in the Reporting period ended 30 June 2019 are contained in the financial statements, the Notice of AGM posted to shareholders on 30 October 2019 and are included in the Remuneration and Nomination Committee Report on pages 60–61.

Non-executive directors' remuneration is based on a scale that considers the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to the non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The Remuneration and Nomination Committee, with the Board's endorsement, have proposed that the fees of non-executive directors be increased in line with the general salary increase paid to employees in the Group. A small adjustment to the fee structure in respect of the fees paid to the chairperson and members of the Social and Ethics Committee and Investment Committee have also been proposed to bring them in line with the fees paid to other Board committees.

A special resolution to obtain shareholder approval for the change in remuneration for non-executive directors has been included (as special resolution number 1) in the Notice of AGM that was posted to shareholders on 30 October 2019.

Following the dissenting vote at the 2018 AGM, the Remuneration Committee engaged with dissenting shareholders and based on feedback received have finalised the KPIs of executive directors. This aligned the measures with industry standards and benchmarked measures for STIs and LTI's.

BOARD MEETINGS

As a rule, the Board meets quarterly to discharge its statutory obligations and to ensure adherence with the Company's strategic focus. Additional meetings were held during the reporting period to attend to other specific business as and when the need arose.

An overview of Board and Committee meeting attendances during the Reporting period is provided in table 1 below.

GOVERNANCE PRACTICES

A schedule indicating how the Group is applying the King IV principles is available on the Company's website at: www.grandparade.co.za under the investor relations section.

An outline of the Board's approach to governance as well as the policies and processes that are aimed at protecting stakeholder value and achieving the King IV outcomes.

Values and ethics

The Company's ethical values are based on integrity, transparency, fairness and trust and a commitment to making a meaningful contribution to broad-based black economic empowerment as inclusively as possible; to uphold the highest ethical and moral standards; and to invest in the finest people and promote their personal growth.

The Board expects all in the business to apply the above values in their personal conduct, ensuring that they are never compromised in favour of personal gain, or to benefit the business at the expense of the values. Directors of the Company and of the subsidiaries, as well as key management, are required to disclose their directorships in other companies as well as any interests in contracts or related party transactions. These disclosures are updated and reviewed annually.

Oversight of risk

The Board assumes ultimate accountability for the risk management process and the Group's system of internal control. In collaboration with the Group Audit and Risk Committee, the Board has adopted a Risk Management Framework aimed at achieving the Group's overall strategic objectives and the creation of long-term value for shareholders.

A complete review of the Group's risk management processes and reporting framework is in the process of being finalised.

IT governance

The IT governance processes are continuously evaluated with the Group Technology Officer providing the Audit and Risk Committee with reports at all Committee meetings. The Audit and Risk Committee is responsible for considering the efficacy of IT controls, policies and processes to the extent that these pose a risk to the financial reporting process, the effectiveness of financial controls and the continuity of the Group's operations.

Table 1: Director Board and Committee meeting attendance during the 2019 financial year

Director designation	GPI BOARD	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
H ADAMS	Non- executive Chairman*	7/8		1/2	1/1
P MOODLEY	Chief Executive Officer**	4/8			
M TAJBHAI	Chief Executive Officer***	5/8			
CM PRIEM	Financial Director	8/8			
A ABERCROMBIE	Non-executive Director	8/8	4/4	2/2	1/1
W GEACH	Lead Independent Director****	7/8	4/4	1/2	
M BOWMAN	Independent non-executive Director*****	3/8	2/4		
R VAN DIJK	Independent non-executive Director*****	3/8	2/4		
R HARGEY	Independent non-executive Director*****	4/8	2/4	2/4	
NV MAHARAJ	Independent non-executive Director*****	7/8	3/4	3/4	1/2
N MLAMBO	Independent non-executive Director*****	4/8	2/4		
K PILLAY	Independent non-executive Director*****	n/a	n/a	n/a	n/a

* H Adams appointed as a non-executive director with effect from 1 July 2019.

** P Moodley appointed as Chief Executive Officer on 1 August 2018 and resigned 7 December 2018.

*** M Tajbhai appointed to the Board on 28 November 2018 and as Chief Executive Officer with effect from 1 July 2019.

**** W Geach appointed as Lead Independent Director on 9 September 2019.

***** R Hargey and N Mlambo removed on 5 December 2018.

***** M Bowman and R van Dijk appointed on 5 December 2018.

***** N Maharaj resigned on 30 April 2019.

***** K Pillay appointed on 11 July 2019.

BOARD COMMITTEES AND REPORTS

AUDIT AND RISK COMMITTEE REPORT

Membership

The Audit and Risk Committee is a statutory Board sub-Committee that assists the Board in its corporate governance responsibilities and is appointed by the shareholders in terms of section 94(2) of the Companies Act. The Committee comprises three non-executive directors whose collective relevant qualifications and experience are assessed by the Nomination Committee prior to their appointment by shareholders.

Members are elected by the shareholders at each Annual General Meeting of the Company and for the 2019 financial year the members were:

- Professor Walter Geach – Chairperson (Lead independent non-executive director)
- Rasheed Hargey (Independent non-executive director) – Removed 5 December 2018
- Dr Norman Maharaj (Lead independent non-executive director) – Resigned 30 April 2019
- Ronel van Dijk (Independent non-executive director) – Appointed 25 January 2019
- Mark Bowman (Independent non-executive director) – Appointed 16 May 2019

Post the reporting period, Mark Bowman stepped down from the Committee and Keshan Pillay was appointed on 9 September 2019.

Subsequent to the end of the 2018 financial year, Colin Priem, was appointed as the Financial Director and stepped down from all GPI committees to which he had been appointed as a non-executive director. Rasheed Hargey, a current non-executive director was appointed to the Audit and Risk Committee and Professor Walter Geach was appointed as the ARC Chairperson with effect from 1 July 2018.

The Audit and Risk Committee operates independently of management, and is free of any organisational restraint or pressure, and acts in accordance with its statutory duties within formally approved terms of reference, reviewed and approved annually by the board.

Whilst operating independently of management, the Chief Executive Officer, Financial Director, Group Internal Auditor and the external auditors attend meetings of the Committee by invitation. The Committee also holds confidential meetings, excluding management, with the internal and external auditors and is at liberty to hold meetings with management should the Committee so require. The external and internal auditors have unrestricted access to the members of the Committee.

The Audit and Risk Committee meets quarterly to attend to business and details of members' attendances at the meetings are included in the table on page 57.

Terms of reference

The Audit and Risk Committee performs its duties within clear terms of reference delegated to it by the Board. The terms of reference are aligned with the Companies Act, King IV and the Listing requirements and include the following:

- ensuring that adequate accounting records are maintained and that financial reporting and internal control systems are effective;
- reviewing and recommending to the Board publicly disclosed information, and ensuring that published financial reports comply with relevant legislation, reporting standards, JSE Listing Requirements and good governance;
- ensuring that Group assets are safeguarded by monitoring the implementation of effective systems of internal control to safeguard assets and support business sustainability;
- maintaining oversight over information technology, governance and reporting;
- confirming the nomination and appointment of the external auditor and ensuring that the appointment complies with relevant legislation;
- reviewing and assessing the external auditor's work plan, staffing, independence, effectiveness, audit findings, key audit risks, and external audit report;
- approving the terms of engagement and fees paid to the external auditor;

- approving the provision of non-audit services by the external auditor and assessing whether any such work negatively impacts on the external auditor's independence;
- considering the findings arising from the annual external audit;
- monitoring the functioning and approval of the internal audit plan ensuring that there is adequate audit coverage in the Group;
- fulfilling the function of Audit Committee to Group subsidiaries;
- reviewing the expertise, resources and experience of the Group's finance function and the expertise and experience of the Finance Director;
- recommending for approval by the Board, the audited financial statements and results, as well as the integrated annual report; and
- ensuring the effectiveness and reliability of the group's risk management processes within the framework of a combined assurance model and ensuring that the assessment and disclosure regarding risk is comprehensive, timely and relevant.

During the reporting period, the Committee performed its duties within its terms of reference as described above, and specifically attended to the following:

Engagement with the external auditors

- nominated and recommended to shareholders the appointment of a registered auditor as the external auditor of the Company and the Group;
- satisfied itself that the external auditor is independent of GPI, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Ltd Listings Requirements. In considering whether the external auditor is independent, the Committee, in relation to the Company (and other companies within the Group), ascertained that the auditor does not receive any direct or indirect remuneration or other benefit from the company,

except as auditor, or for rendering other services to the Company, to the extent permitted in terms of the Companies Act and as agreed with the Committee. The Committee also ensured compliance with other criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act;

- considered and approved the terms of engagement of the external auditor and the extent and scope of the audit and the timing thereof;
- prior to the commencement of the audit, determined and recommended the audit plan and audit fees to be paid to the auditor;
- ensured that the appointment of the auditor complies with the Companies Act, and other legislation relating to the appointment of the auditor; and
- determined the nature, scope and extent of any non-audit services that the auditor may provide to the Group and the fees relating to such services and satisfied itself that the nature of such services and fees relating thereto did not adversely impact on the independence of the external auditor.

Internal financial controls, and internal audit function

- evaluated the independence, effectiveness and performance of the internal audit function;
- reviewed and approved the internal audit annual work plan, as well as the quarterly internal audit report;
- reviewed the internal auditor's reports and noted the findings thereof and reported to the Board in connection therewith;
- assessed internal financial controls and concluded that no material breakdowns in the functioning of the internal financial controls were noted during the year under review and that the results of the internal audit tests conducted indicate that the internal financial controls provided a sound basis for the preparation of financial statements; and
- considered and confirmed its satisfaction with the effectiveness of

the internal audit function, as well as the expertise and experience of the internal auditor.

Oversight of risk management including IT

- monitored the implementation of the Group risk policy and Group risk plan as approved by the Board and reviewed the risk management framework and made appropriate recommendations to the Board;
- reviewed and considered business unit risk reports presented to the Committee;
- reviewed and considered the report by internal audit on the integrity and robustness of the Group's risk management processes; and
- reviewed and considered the status of financial, Information Technology and internal controls, for the year under review, and reviewed and accepted the reports relating thereto.

Complaints and concerns

The Committee did not receive any complaints or concerns from neither from within or outside the Company, or find any concerns on its own initiative, relating to the following:

- the accounting practices and internal audit of the Company;
- the content or auditing of the Company's financial statements;
- the internal financial controls of the Company; or
- any other matter.

Annual financial statements and reporting

- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Ltd Listings Requirements that the Group Chief Financial Officer, as well as the Group finance function, has the appropriate expertise and experience;
- reviewed and made recommendations to the Board in respect of the publicly disclosed financial information including the

interim results for the six months ended 31 December 2018 and the audited annual results for the 2019 financial year; and

- reviewed the Annual Financial Statements ('AFS'), including the valuation of unlisted investments and loans, prior to submission to the Board. In the course of the review the Audit and Risk Committee ensured that in all material respects, the AFS comply with IFRS, the JSE Listing Requirements and the Companies Act, and fairly present the results of operations, financial position, and cash flows of the Group. On this basis the Committee recommended that the Board of directors approve the annual financial statements.

The Committee is satisfied that there have been no instances of material noncompliance with legislation and regulation, or non-adherence with codes of best practice, in relation to the areas within the Committee's mandate.

The Chairman of the Audit Committee, or in his absence the other members of the Audit Committee, will attend the Annual General Meeting to answer questions falling within the mandate of the Committee.

The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.



WALTER GEACH
Chairman: Audit and Risk Committee

BOARD COMMITTEES AND REPORTS (CONTINUED)

REMUNERATION AND NOMINATION COMMITTEE REPORT

GPI's combined Remuneration and Nomination Committee (Remco) assists the Board in ensuring that the remuneration policies and practices that are applied in the Group reflect a fair, responsible and transparent approach to remuneration to achieve the strategic objectives and positive outcomes in the short-, medium and long-terms.

To this end, Remco has oversight over the Group remuneration strategy and policy and is responsible for ensuring the ongoing application of a policy aligned with the Group strategic, operating and financial objectives and best practice remuneration principles. All elements of remuneration offered in the Group, and the mix of these, are set out in the Group policy.

Remco is also tasked with nominating candidates for appointment to the Board and for making recommendations to the Board on the re-election of directors retiring by rotation.

Membership

As at 30 June 2019, the Committee comprised of three non-executive directors and is chaired by an Independent non-executive director. During the 2019 financial year the Committee was constituted (and reconstituted) as follows:

- Dr Norman Maharaj, Chairperson (Lead independent director) – Resigned 30 April 2019
- Nombeko Mlambo (Independent non-executive director) – Removed 5 December 2018
- Alex Abercrombie (non-executive director)
- Mark Bowman, Chairperson (Independent non-executive director) – Appointed 25 January 2019
- Prof Walter Geach (Independent non-executive director) – Appointed 16 May 2019

Post the reporting period, Prof Geach, stepped down from the Committee and Dr Hassen Adams, the non-executive Chairman of the Group was appointed to Remco on 9 September 2019.

Remco operates independently of management but the Chief Executive Officer and Financial Director are invitees to meetings of the Committee and are recused from aspects of the committee's discussions when so required and are specifically excused from discussions that relate to their performance and remuneration.

The committee's annual meeting schedule makes provision for two meetings per year and provision is made for additional meetings to be held when the need arises. Details of the meetings held during the 2019 financial year and members' attendance at the meetings are included in the table on page 57.

Terms of reference

The Committee has clear terms of reference that are aligned with King IV and the Listings Requirements.

Within the context and framework of the above, the Committee is responsible for:

- the annual review of the remuneration policy and practices applied in the Group and reporting thereon to the Board or making recommendations to the Board for amendment of the policy and/or practices.
- reviewing and recommending (to the Board) the remuneration for executive directors, non-executive directors, divisional Company directors (where applicable) and/or senior executives ensuring that the remuneration is fair and responsible in the context of overall employee remuneration (i.e. that the gap between the remuneration of executives and employees at the lower end of the pay scale is addressed).
- reviewing and approving the remuneration principles that are applied in respect of all other employee levels in the Group, including changes to the benchmarking methodology used for setting base salaries and incentive

targets; the methodology to be applied in respect of performance-based rewards and/or incentive and retention bonuses.

- determining and recommending to the Board the terms and conditions of executive directors' employment agreements, including the performance criteria or metrics to be applied in setting the executive directors' and senior executives' remuneration levels.
- considering and measuring the individual performances of executive directors and senior executives against the criteria or metrics approved by the Board, ensuring performance aligns with positive outcomes relative to the Group strategic, operating and financial objectives and merits the rewards being recommended to the Board.
- considering management's proposals for annual salary adjustments for employees in the Group and making recommendations in this regard to the Board.
- overseeing the preparation of the annual remuneration report for approval by the Board and for consideration by shareholders by means of the non-binding shareholder vote at the Annual General Meeting. The Committee must ensure that the remuneration report provides the necessary level of disclosure set out in King IV.
- overseeing management's engagement with Dissenting Shareholders and framing of measures that appropriately address such shareholders' legitimate and reasonable objections and concerns, including amendment of the remuneration policy or clarifying or adjusting remuneration governance processes.
- adopting a formal and transparent procedure for the nomination of candidates for appointment to the Board (including interviewing potential candidates) and subsequently, for referring recommendations for nominations to the Board.

- making recommendations to the Board on the re-election of directors retiring by rotation, taking into account governance requirements such as director independence, evaluation of the performance and attendance of such directors, and taking into account the director's past performance and contribution to the Board.
- overseeing the annual evaluation of the Board's effectiveness and that of the Committees of the Board according to a formal process (either externally facilitated or by means of an internal methodology approved by the Board). The evaluation must be performed at least every two years.
- determining and recommending to the Board appropriate long-term succession plans for all key positions in the Group, particularly for the chairperson, executive directors and senior executives in the Group, and ensure implementation of approved succession plans.

The Chairman of the Committee or in his or her absence, another designated member of the Committee attends the Annual General Meeting of the Company to answer any remuneration-related questions.

REMUNERATION POLICY

In accordance with King IV and in compliance with the Listings Requirements, the GPI remuneration policy and implementation of the policy have been proposed for endorsement by shareholders at the Company's 2019 Annual General Meeting.

Background

GPI's remuneration philosophy is aimed at attracting, rewarding and retaining talent across the Group. One of the key objectives of the remuneration policy is to align the key decision makers in the Group with the expectations of shareholders in order to create sustainable long-term value. The GPI Board thus views its remuneration policy as a key enabler to affect this Group philosophy. Ultimately the Group objectives and reward outcomes must

be aligned with shareholder interests over the short and long term.

Remuneration policy and approach

The remuneration of executive directors and the top 3 highest paid executives (collectively "the top executives") comprises a total guaranteed cost to company component and a variable component incorporating short- and long-term incentives. The components are weighted as follows:

- 25% allocated to guaranteed pay;
- 25% allocated as a short-term incentive and capped at 150% of guaranteed pay; and
- 50% allocated as a long-term incentive and capped at 300% of guaranteed pay.

The short- and long-term incentives are based on pre-determined Key

Key Performance Indicator	Gate	Target	Stretch	STI	LTI
				Weight	Weight
Increase revenue	8%	15%	25%	20%	0%
Increase EBITDA	25%	35%	50%	35%	0%
Decrease central costs	12%	15%	25%	25%	0%
Increase HEPS	15%	75%	85%	5%	50%
ROIC (Group)	12%	15%	18%	5%	50%
Compliance	90%	100%	100%	10%	0%
				100%	100%

Each performance objective is weighted based on relevance and importance. A gate, target and stretch measurable for each KPI was agreed and documented

A linear formula is used to calculate the scoring:

- Actual less than gate – 0%
- Actual between gate and target – linear from 50% to 100%
- Actual between target and stretch – linear from 100% to 150%
- Actual greater than stretch – max 150%

The % allocation is calculated by multiplying the score by the maximum STI or LTI

Performance Indicators (KPIs) for management and focus on; increase in revenue, increase in EBITDA, decrease in central costs, ROIC and compliance with the regulatory environment.

Guaranteed pay

Guaranteed pay is benchmarked against the 25th percentile of the local salary survey. Benchmarking is intentionally aimed at the lower end of the scale with performance-based remuneration being weighted at the higher end of the scale.

Short-term incentives

Short-term incentives are capped at 150% of the executive director's guaranteed pay, subject to the achievement of pre-determined key performance indicators (KPIs).

Long-term incentives

Long-term incentives (LTIs) are determined by means of the KPIs; Increase in HEPS and ROIC for the Group (see table above). LTIs are capped at 300% of guaranteed pay per annum. Although the preference is to award share options as LTIs, the Board has the discretion to determine that cash be paid or a combination of share options and cash be paid taking into account the relevant executive director's total exposure to GPI shares, the director's length of service and specific performance during the year.

Share options are governed by the Company's share incentive scheme and are linked to a requirement of continued employment over the prescribed option period.

BOARD COMMITTEES AND REPORTS (CONTINUED)

IMPLEMENTATION REPORT

The Remco is satisfied that GPI complied with the remuneration policy in the 2019 financial year.

The annual salary increases were based on various factors, ranging from but not limited to; the company's performance, average CPI, market salary increase indicators, amongst other.

During the 2019 financial year, the Remco benchmarked the salaries against the PwC's report on executive directors' remuneration and trends.

STIs and LTIs were calculated based on the group's results. KPIs included the group's focus on increase in revenue, increase in EBITDA, decrease in central costs, ROIC and compliance with the regulatory environment.

Engagement with dissenting shareholders following the previous Annual General Meeting

Since the non-binding votes on GPI's remuneration policy and implementation report on the remuneration policy garnered less than 75% of the votes exercised, GPI engaged with dissenting shareholders on 20 December 2018, as required, by inviting them via the JSE's Stock Exchange News Service ("SENS") to forward their concerns / questions on the remuneration policy and the implementation thereof to the Company Secretary in writing and to attend a telephone conference arranged for 28 January 2019 from 10h00 to 11h00.

Shareholders participating in the meeting raised concerns regarding the Company's disclosure of the implementation of the remuneration policy, specifically relating to the short-term and long-term incentives and the lack of details pertaining to the weightings and/or hurdle rates attached to the executives KPI's. Further, shareholders requested that they be provided with a timeline for execution of the specific targets.

The Remco undertook to analyse the executives KPI's as well as the weightings and/or hurdle rates attached thereto and to fully disclose the same in the Remuneration Report to be published in 2019.

Voting at upcoming AGM

Both GPI's remuneration policy and its implementation report to shareholders will be presented to shareholders for separate non-binding advisory votes thereon at GPI's upcoming AGM to be held on 28 November 2019. In the event that 25% or more of shareholders vote against either the remuneration policy or the implementation report at the meeting, GPI will engage with shareholders through dialogue, requesting written submissions or otherwise, in order to address shareholders' concerns, always with due regard to meeting GPI's stated business objectives while being fair and responsible towards both the employee and shareholders.

Non-executive director remuneration

GPI's non-executive directors' remuneration is based on a scale that takes into account the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to the non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The fees are tabled annually for approval by GPI's shareholders and the fees paid to non-executive directors in the 2019 financial year are set out below.

The Remuneration and Nomination Committee, with the Board's endorsement, have proposed that the fees of non-executive directors be increased in line with the general salary increase paid to employees in the Group.

An adjustment to the fee structure in respect of the fees paid to the chairperson and members of the Social and Ethics Committee and Investment Committee have also been proposed to bring them into line with the fees paid to other Board committees.

A special resolution to obtain shareholder approval for the change in remuneration for non-executive directors has been included (as special resolution number 1) in the notice of Annual General Meeting.

The fees currently paid to non-executive directors for their services as directors as well as the proposed fees to be paid from 1 January 2020 are contained in Table 1 below. The fees received by non-executive directors for the financial year ended 30 June 2019 is provided in Table 2 below.

Independent external advice

Previously, PwC provided benchmarking data for guidance on executive remuneration and the grading of various non-executive positions in the Group.

Remuneration received by directors in the 2019 financial year

Details of the remuneration, STIs and LTIs received by the top executives and non-executive directors during the 2019 financial year can be found at Table 2 below.



MARK BOWMAN
Chairman: Remuneration and Nomination Committee

DIRECTORS' EMOLUMENTS

Table 2: Directors' emoluments

	Salary R'000	Short-term benefits ⁽¹⁾ R'000	Long-term benefits ⁽²⁾ R'000	Bonuses R'000	Severance pay R'000	Directors fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total remuneration R'000	Loans advanced R'000	Share-based payment R'000
2019													
Executive directors													
H Adams ⁽¹⁰⁾	4 418	1 365	-	3 034	5 955	-	-	-	-	-	14 772	-	366
P Moodley ⁽³⁾	1 282	-	190	-	-	-	-	-	-	-	1 472	-	-
M Tajbhai ⁽⁴⁾	961	-	123	-	-	-	-	-	-	-	1 084	-	59
C Pried ⁽⁵⁾	1 319	-	196	-	-	-	-	-	-	-	1 515	-	64
Sub-total	7 980	1 365	509	3 034	5 955	-	-	-	-	-	18 843	-	489
Non-executive directors													
A Abercrombie	-	-	-	-	-	256	-	64	10	80	410	-	-
W Geach ⁽¹¹⁾	-	-	-	-	-	246	147	-	-	20	413	-	-
R Hargay ⁽⁶⁾	-	-	-	-	-	123	41	30	-	-	194	-	-
N Maharaj ⁽⁷⁾	-	-	-	-	-	253	63	73	-	36	425	-	-
N Mlambo ⁽⁸⁾	-	-	-	-	-	123	-	30	-	-	153	-	-
M Bowman ⁽⁹⁾	-	-	-	-	-	115	-	29	-	-	144	-	-
R van Dijk ⁽⁹⁾	-	-	-	-	-	123	41	-	-	-	164	-	-
Sub-total	-	-	-	-	-	1 239	292	226	10	136	1 903	-	-
Total	7 980	1 365	509	3 034	5 955	1 239	292	226	10	136	20 746	-	489

⁽¹⁾ Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.

⁽²⁾ Long-term benefits relate to defined retirement contributions.

⁽³⁾ P Moodley was appointed 1 August 2018 and resigned as Chief Executive Officer and executive director on 7 December 2018.

⁽⁴⁾ M Tajbhai was appointed as executive director on 28 November 2018 and CEO on 1 July 2019.

⁽⁵⁾ C Pried was appointed as Chief Financial Officer on 1 July 2018.

⁽⁶⁾ R Hargay was removed as non-executive director on 5 December 2018.

⁽⁷⁾ N Maharaj resigned as non-executive director on 30 April 2019.

⁽⁸⁾ N Mlambo was removed as non-executive director on 5 December 2018.

⁽⁹⁾ M Bowman and R van Dijk were appointed as non-executive directors on 5 December 2018.

⁽¹⁰⁾ Non-executive Chairman from 1 July 2019.

⁽¹¹⁾ Lead independent from 9 September 2019.

Note: All amounts exclusive of VAT.

BOARD COMMITTEES AND REPORTS (CONTINUED)

DIRECTORS' EMOLUMENTS (continued)

Table 2: Directors' emoluments (continued)

	Salary R'000	Short-term benefits ⁽¹⁾ R'000	Long-term benefits ⁽²⁾ R'000	Bonuses R'000	Directors fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Remuneration committee R'000	Total R'000	Loans advanced R'000	Share- based payment expense R'000
2018													
Executive directors													
H Adams	3 825	1 473	124	4 862	-	-	-	-	-	-	10 284	-	486
T Karriem ⁽²⁾	1 620	84	243	2 015	-	-	-	-	-	-	3 962	-	-
D Pienaar ⁽³⁾	1 489	69	72	2 109	-	-	-	-	-	-	3 739	-	-
S Barends ⁽⁴⁾	1 333	70	143	274	-	-	-	-	-	-	1 820	-	-
Sub-total	8 267	1 696	582	9 260	-	-	-	-	-	-	19 805	-	486
Non-executive directors													
A Abercrombie	-	-	-	-	195	-	67	10	37	-	309	-	-
W Geach	-	-	-	-	212	93	-	-	-	-	305	-	-
R Hargey	-	-	-	-	219	-	-	-	-	-	219	-	-
C Priem	-	-	-	-	248	143	53	10	-	-	454	-	-
N Maharaj	-	-	-	-	246	80	98	-	20	-	444	-	-
N Mlambo	-	-	-	-	212	-	67	-	-	-	279	-	-
Sub-total	-	-	-	-	1 332	316	285	20	57	-	2 010	-	-
Total	8 267	1 696	582	9 260	1 332	316	285	20	57	-	21 815	-	486

⁽¹⁾ Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.

⁽²⁾ T Karriem resigned as executive director on 2 April 2018. Amounts disclosed above include remuneration for 11 months.

⁽³⁾ D Pienaar resigned as executive director on 7 November 2017. Amounts disclosed above include remuneration for five months.

⁽⁴⁾ S Barends resigned as executive director on 30 June 2018. Amounts disclosed above include remuneration for 12 months.

Note: All amounts exclusive of VAT.

Reconciliation of GPI share options granted in terms of the Grand Parade Share Incentive Trust

	Number of unvested share options 30 June R'000	Granted during the year R'000	Exercised 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	Number of unvested share options 30 June 2019 R'000
2019							
Executive directors							
H Adams	3 504	3 263	-	(1 126)	2.29	2.18	5 641
M Tajbhai ⁽¹⁾	-	1 504	-	-	-	2.26	1 504
C Priem ⁽²⁾	-	1 471	-	-	-	2.04	1 471
Sub-total	3 504	6 238	-	(1 126)			8 616
	Number of unvested share options 30 June R'000	Granted during the year R'000	Exercised 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	Number of unvested share options 30 June 2018 R'000
2018							
Executive directors							
H Adams	2 251	2 378	-	(1 125)	2.70	3.61	3 504
T Karriem ⁽³⁾	1 188	921	-	(2 109)	-	2.61	-
D Pienaar ⁽⁴⁾	1 286	1 027	-	(2 313)	-	2.61	-
S Barends ⁽⁵⁾	174	-	-	(174)	-	4.72	-
Sub-total	4 899	4 326	-	(5 721)			3 504

⁽¹⁾ M Tajbhai was appointed as executive director on 28 November 2018.

⁽²⁾ C Priem was appointed as Chief Financial Officer on 1 July 2018.

⁽³⁾ T Karriem resigned as executive director on 2 April 2018. All unvested share options are forfeited on an employee's resignation date.

⁽⁴⁾ D Pienaar resigned as executive director on 7 November 2017. All unvested share options are forfeited on an employee's resignation date.

⁽⁵⁾ S Barends resigned as executive director on 30 June 2018. All unvested share options are forfeited on an employee's resignation date.

Note: All amounts exclusive of VAT.

BOARD COMMITTEES AND REPORTS (CONTINUED)

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (the Committee) assists the Board in providing effective ethical leadership by monitoring the Group's performance as a good corporate citizen to ensure accountability from a financial perspective and in terms of the Group's social and environmental impact.

The Committee is constituted in terms of the Companies Act, No 71 of 2008, as amended and comprises an equal number of non-executive and executive directors. During the 2019 financial year, the Committee was constituted as follows:

- Alex Abercrombie – Chairperson (non-executive director)
- Dr Hassen Adams (non-executive director)
- Dr Norman Maharaj (lead independent director) Resigned 30 April 2019

Post the reporting period, Mohsin Tajbhai, Chief Executive Officer, was appointed to the Committee on 9 September 2019.

The Committee's primary objective is to assist the Board in providing effective leadership and corporate citizenship and it performs statutory functions as prescribed in regulation 43(5) under the Companies Act as well as certain delegated functions derived from King IV and/or functions specifically delegated to the Committee by the Board namely:

- The Company's standing with regard to the 10 principles set out in the United Nations Global Compact Principles ("Principles")
- The Company's standing with regard to the recommendations of the Organisation for Economic Co-operation and Development (OECD) regarding corruption
- The Employment Equity Act (no 55 of 1998), the purpose of which is to achieve equity in the workplace
- The Broad-Based Black Economic Empowerment Act (No 53 of 2003), the objectives of which are to facilitate broad-based black economic empowerment
- Environment, health and public safety including the impact of the company's activities and its products or services on the environment, health and public safety
- Consumer relationships, including ethically founded advertising, public relations and compliance with consumer protection laws
- Labour and employment

The Committee makes recommendations to the Board in relation to the above activities and, specifically, in relation to policies for fair labour practices, sustainable development, responsible product sourcing and social and ethics matters across the Group.

During the year the Committee considered the Group's employment policies to satisfy itself that appropriate provision is made for the promotion of employment equity and fair labour practices and that the Group's standing as a black economic empowerment Company continues to be upheld.

The Committee also considered a revised Code of Ethics and Conduct, and will monitor implementation thereof to ensure the development of a good performance and ethics culture across the Group. Steps have also been taken in the respective businesses to include the Company's Code of Ethics and Conduct in the service level agreements with suppliers and contractors. The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.



ALEX ABERCROMBIE
Chairman: Social and Ethics Committee

GENERAL INFORMATION RELATING TO SHAREHOLDERS

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	1 355	17.38	566 263	0.12
1 001 – 10 000	4 521	58.00	21 475 080	4.57
10 001 – 100 000	1 704	21.86	46 935 423	9.99
100 001 – 1 000 000	158	2.03	41 940 303	8.92
Over 1 000 000	57	0.73	359 105 672	76.40
Total	7 795	100	470 022 741	100

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance companies	9	0.12	816 836	0.17
Close corporations	33	0.42	1 647 953	0.35
Collective investment schemes	33	0.42	36 107 907	7.68
Custodians	13	0.17	1 213 808	0.26
Foundations and charitable funds	5	0.06	84 006	0.02
Hedge funds	6	0.08	86 033 482	18.30
Insurance companies	3	0.04	394 031	0.08
Investment partnerships	9	0.12	1 439 181	0.31
Managed funds	1	0.01	16 765 001	3.57
Medical aid funds	1	0.01	101 998	0.02
Private companies	94	1.21	83 402 623	17.74
Public entities	1	0.01	181 693	0.04
Retail shareholders	7 446	95.52	111 848 391	23.80
Retirement benefit funds	22	0.28	47 167 200	10.04
Share schemes	2	0.03	4 985 240	1.06
Stockbrokers and nominees	12	0.15	1 430 677	0.30
Trust	104	1.33	76 402 713	16.26
Unclaimed Scrip	1	0.01	1	0.00
Total	7 795	100.00	470 022 741	100.00

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-Public Shareholders	19	0.24	63 681 958	13.55
Directors and Associates (Direct Holding)	6	0.08	6 565 402	1.40
Directors and Associates (Indirect Holding)	10	0.13	37 316 501	7.94
GPI Woman's B-BBEE Empowerment Trust	1	0.01	14 814 815	3.15
Collective Investment Schemes	2	0.03	4 985 240	1.06
Public Shareholders	7 776	99.76	406 340 783	86.45
Total	7 795	100.00	470 022 741	100.00

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Value Capital Partners	96 595 318	20.55
Kagiso Asset Mgt	27 241 901	5.80
Rozendal Partners	14 259 280	3.03
Total	138 096 499	29.38

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Value Active PFP H4 QI Hedge Fund	63 606 938	13.53
Chandos Trust	47 268 792	10.06
Midnight Storm Investments 387	24 248 649	5.16
GPI Management Services	24 000 000	5.11
Sentinel Mining Industry Retirement Fund	16 765 001	3.57
GPI Woman's BBBEE Empowerment Trust	14 814 815	3.15
Rozendal Flexible Prescient QI Hedge Fund	14 259 280	3.03
Total	204 963 475	43.61

GLOSSARY OF TERMS

AFS	Consolidated Annual Financial Statements for 2019
AGM	Annual General Meeting
Atlas	Atlas Gaming Holdings Pty Ltd, a company registered in Australia
BBBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
Board	GPI Board of directors
Burger King South Africa/BKSA	Burger King (RF) South Africa (Pty) Ltd
CAPEX	Capital expenditure
CEO	Chief Executive Officer
Companies Act	Companies Act, No. 71 of 2008, as amended
CSI	Corporate social investment
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
EY	Ernst & Young Inc.
GFMP	Grand Foods Meat Plant (Pty) Ltd
GGR	Gross gaming revenue
GPI	Grand Parade Investments Ltd
GPIMS	GPI Management Services (Pty) Ltd
GPI Properties	GPI House Properties (Pty) Ltd
GPI Slots	GPI Slots (RF) (Pty) Ltd
Grand Foods	Grand Foods (Pty) Ltd
GrandWest	GrandWest Casino and Entertainment World
Group	GPI and all its subsidiaries
HDI	Historically disadvantaged individual
HEPS	Headline earnings per share
IAR	Integrated annual report
IFRS	International Financial Reporting Standards
iNAV	Intrinsic net asset value
IT	Information technology
JSE	Johannesburg Stock Exchange Ltd
King IV	King Report on Governance for South Africa 2016
KPI	Key performance indicators
LID	Lead Independent Director
LPM	Limited payout slot machine
Mac Brothers or MBCE	Mac Brothers Catering Equipment (Pty) Ltd
Nadesons Investments	Nadesons Investments (Pty) Ltd
NAV	Net asset value
QSR	Quick service restaurant
SCM	Sanlam Capital Markets Ltd
Spur/Spur Corporation	Spur Corporation Ltd
Standard Bank	Standard Bank of South Africa Ltd
Sun International	Sun International Ltd
SunWest	SunWest International (Pty) Ltd
TNAV	Tangible net asset value
Worcester Casino	Worcester Casino (Pty) Ltd

CORPORATE INFORMATION

DIRECTORS

H Adams (Non-Executive Chairman)
M Tajbhai (Chief Executive Officer)
C Priem (Group Financial Director)
W Geach (Lead Independent Director)
A Abercrombie (Non-Executive Director)
M Bowman (Non-Executive Director)
R van Dijk (Non-Executive Director)
K Pillay (Non-Executive Director)

NATURE OF BUSINESS

Investment Holding Company

COMPANY SECRETARY

Statucor (Pty) Ltd
6th Floor, 119 – 123 Hertzog Boulevard
Foreshore, Cape Town, 8001

PUBLIC OFFICER

C Priem

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196

AUDITORS

Ernst & Young Inc.

ATTORNEYS

Cliffe Dekker Hofmeyr

PREPARER OF THE FINANCIAL STATEMENTS

The audited financial statements were prepared under supervision of Grand Parade Investments (GPI) Group Financial Director, C Priem.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Financial reports

Announcement of interim results
Announcement of annual results
Annual Financial Statements

BANKERS

The Standard Bank of South Africa Limited

SPONSORS

PSG Capital (Pty) Ltd

REGISTERED OFFICE

Grand Parade Investments
10th Floor, 33 on Heerengracht
Heerengracht Street, Cape Town, 8001

REGISTRATION NUMBER

1997/003548/06

DOMICILE AND COUNTRY OF INCORPORATION

South Africa

LISTING

JSE Limited
Sector: Financial Services
Grand Parade Investments Limited:
("GPI" or "the Company" or "the Group")
Registration number: 1997/003548/06
ISIN: ZAE000119814
Share code: GPL

28 November 2019

March 2020
September 2020
September 2020



GRAND PARADE

INVESTMENTS LIMITED