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NOTICE OF ANNUAL GENERAL MEETING, FORM OF PROXY AND SUMMARISED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

CONTENTS

GRAND PARADE INVESTMENTS LIMITED
LETTER TO SHAREHOLDERS

Dear Shareholder,

I am pleased to notify you that the annual financial statements of Grand Parade Investments Limited ("**GPI**" or "**the Company**") and the Group, for the financial year ended 30 June 2019, have been published and are available at www.grandparade.co.za, without charge, upon request to the company secretary at amber@statucor.co.za during normal business hours.

You will find a copy of the summarised audited financial statements of the Company and the Group, for the financial year ended 30 June 2019 in this booklet and a copy thereof is available as indicated in the paragraph above.

I am furthermore, pleased to notify you that the Annual General Meeting of the shareholders of the Company will be held on Thursday, 28 November 2019 in the Market Hall at GrandWest Casino, 1 Jakes Gerwel Drive, Goodwood, commencing at 18:30.

The full notice of the Annual General Meeting is included and the Form of Proxy is inserted.

In closing, ensure that the Transfer Secretaries of GPI ("**Computershare**") has your current contact and banking details on record to prevent the non-delivery of our communications or the non-payment to you of any dividend payments. If you have not yet elected to receive communications by electronic means (email), please consider electing this as your preferred method of receiving communications from GPI and Computershare, as this will contribute to our efforts to embrace the use of technology to conserve our natural resources.

Sincerely,

Hassen Adams
Chairman

30 October 2019

NOTICE OF ANNUAL GENERAL MEETING

GRAND PARADE INVESTMENTS LIMITED
Incorporated in the Republic of South Africa
Registration number: 1997/003548/06
Share code: GPL
ISIN: ZAE000119814

Notice is hereby given of the Annual General Meeting of shareholders of Grand Parade Investments Limited ("**GPI**" or "**the Company**"), to be held at 18:30 on Thursday, 28 November 2019 in the Market Hall at GrandWest Casino, 1 Jakes Gerwel Drive, Goodwood, Western Cape ("**the Annual General Meeting**").

Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

Agenda

- Presentation of the audited annual financial statements of the Company and its subsidiaries ("**the Group**"), which includes the report of the board of directors, the independent auditor's report and the Audit and Risk Committee Report for the financial year ended 30 June 2019.
- The Group's audited annual financial statements for the year ended 30 June 2019 are available on the Company's website at www.grandparade.co.za or may be obtained, at no charge, upon request to the company secretary at amber@statucor.co.za or in person at the Company's registered office during office hours.
- To consider and, if deemed fit, approve, with or without modification, the ordinary and special resolutions set out below.

Note:
For any of the ordinary resolutions numbers 1 to 12 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

1. RETIREMENT, RE-ELECTION AND CONFIRMATION OF APPOINTMENT OF DIRECTORS

(Biographical details of all of the directors of the Company are set out in **Annexure 2** hereto)

1.1 Ordinary resolution number 1

"Resolved that Mr Alexander Abercrombie, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a non-executive director of the Company."

1.2 Ordinary resolution number 2

"Resolved that Mr Mark Bowman, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a non-executive director of the Company."

1.3 Ordinary resolution number 3

"Resolved that Ms Ronel van Dijk, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as a non-executive director of the Company."

1.4 Ordinary resolution number 4

"Resolved that Mr Mohsin Tajbhai's appointment as an executive director of the Company, in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

1.5 Ordinary resolution number 5

"Resolved that Dr Hassen Adam's appointment as a non-executive director of the Company, in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

1.6 Ordinary resolution number 6

"Resolved that Mr Keshan Pillay's appointment as a non-executive director of the Company, in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

The reason for ordinary resolutions numbers 1 to 3 (inclusive) is that the memorandum of incorporation of the Company, the Listings Requirements of the JSE Limited ("**JSE**") and, to the extent applicable, the South African Companies Act, No. 71 of 2008, as amended ("**the Companies Act**"), require that a component of the non-executive directors rotate at every Annual General Meeting of the Company and, being eligible, may offer themselves for re-election as directors.

The reason for ordinary resolutions numbers 4 to 6 (inclusive) is that the memorandum of incorporation of the Company, the Listings Requirements of the JSE ("JSE Listings Requirements") and the Companies Act require that any director appointed by the Board of the Company be confirmed by the shareholders at the next Annual General Meeting of the Company.

2. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

(Biographical details of all of the directors of the Company are set out in **Annexure 2** hereto)

2.1 Ordinary resolution number 7

"Resolved that Prof Walter Geach, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the board of directors of the Company, until the next Annual General Meeting of the Company."

2.2 Ordinary resolution number 8

"Resolved that, subject to approval of ordinary resolution number 3, Ms Ronel van Dijk, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the board of directors of the Company, until the next Annual General Meeting of the Company."

2.3 Ordinary resolution number 9

"Resolved that, subject to the approval of ordinary resolution number 6, Mr Keshan Pillay, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the board of directors of the Company, until the next Annual General Meeting of the Company."

The reason for ordinary resolutions numbers 7 to 9 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each Annual General Meeting of such company.

3. RE-APPOINTMENT OF AUDITOR

Ordinary resolution number 10

"Resolved that Ernst & Young Inc. be and is hereby re-appointed as the independent external auditors of the Company for the ensuing financial year or until the next Annual General Meeting of the Company, whichever is the later, and that Mr Pierre du Plessis be and is hereby appointed as the individual designated auditor of the Company for the ensuing financial year on the recommendation of the Audit and Risk Committee of the Company."

The Board and the Audit and Risk Committee have evaluated the independence and qualifications of Ernst & Young Inc. and Mr Pierre du Plessis and recommends their appointment as external auditors and individual designated auditor of the Company.

The reason for ordinary resolution number 10 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed, as the case may be, each year at the Annual General Meeting of the Company as required by the Companies Act.

- To consider and, if deemed fit, pass, with or without modification, the following non-binding advisory resolutions:

4. NON-BINDING ENDORSEMENT OF GPI'S REMUNERATION POLICY AND IMPLEMENTATION THEREOF

(A copy of the Remuneration Policy and Implementation Report is set out in **Annexure 3** hereto)

4.1 Resolution number 11: Approval of the Company's Remuneration Policy

"Resolved by way of a non-binding advisory vote, that the Remuneration Policy of the Company as set out in Annexure 3 to this notice of Annual General Meeting, be and is hereby endorsed."

In terms of the King IV Report on Corporate Governance™ for South Africa (**King IV™**) and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the Company's Remuneration Policy. The vote allows shareholders to express their views on the Remuneration Policy adopted, but will not be binding on the Company. The Company's Remuneration Policy is set out in **Annexure 3** to this notice of Annual General Meeting.

4.2 Resolution number 12: Approval of the Company's Implementation Report

"Resolved by way of a non-binding advisory vote, that the Implementation Report of the Remuneration Policy as set out in Annexure 3 to this notice of Annual General Meeting, be and is hereby endorsed."

In terms of King IV™ and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the Implementation Report of the Company's Remuneration Policy at each Annual General Meeting of the Company. The vote allows shareholders to express their views on the extent of implementation of the Company's Remuneration Policy, but will not be binding on the Company. The Company's Implementation Report on the Remuneration Policy is set out in Annexure 3 to this notice of Annual General Meeting.

Shareholders are reminded that in terms of King IV™ and the JSE Listings Requirements, should 25% or more of the votes cast be against one or both of these non-binding advisory resolutions, the Company undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

- To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note:

For any of the special resolutions numbers 1 to 4 to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolution numbers 1.1 to 1.5

Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors on the basis set out below, provided that this authority will be valid until the next Annual General Meeting of the Company.

5.1 Special resolution number 1.1: Remuneration of the chairperson of the Board

Resolved that the chairperson of the Board be paid the following fees:

	PROPOSED FEES 1 January 2020 to 31 December 2020			
	Number of meetings per annum (indicative)	**Base fee R's**	**Attendance fee R's**	**Attendance fee above minimum no of meetings R's**
Non-executive chairperson	**4**	1 200 000	19 000	11 000

Note: All amounts are exclusive of VAT

5.2 Special resolution number 1.2: Remuneration of the lead independent director

Resolved that the lead independent director of the Board be paid the following fees:

	PROPOSED FEES 1 January 2020 to 31 December 2020			
	Number of meetings per annum (indicative)	**Base fee R's**	**Attendance fee R's**	**Attendance fee above minimum no of meetings R's**
Lead independent director	**4**	194 000	19 000	11 000

Note: All amounts are exclusive of VAT

5.3 Special resolution number 1.3: Remuneration of other board members

Resolved that the remaining board members be paid the following fees:

	PROPOSED FEES 1 January 2020 to 31 December 2020			
	Number of meetings per annum (indicative)	**Base fee R's**	**Attendance fee R's**	**Attendance fee above minimum no of meetings R's**
Non-executive directors	**4**	154 000	19 000	11 000

Note: All amounts are exclusive of VAT

5.4 Special resolution number 1.4: Remuneration of the committee chairpersons

Resolved that the chairpersons of the Audit and Risk, Remuneration and Nominations, Social and Ethics and Investment Committee be paid the following fees:

	PROPOSED FEES 1 January 2020 to 31 December 2020		
	Number of meetings per annum (indicative)	Base fee R's	Attendance fee R's
Audit and Risk, Remuneration and Nominations, Social and Ethics and Investment Committee chairpersons	**4**	44 000	30 000

Note: All amounts are exclusive of VAT

5.5 Special resolution number 1.5: Remuneration of committee members

Resolved that the Audit and Risk, Remuneration and Nominations, Social and Ethics and Investment Committee members be paid the following fees:

	PROPOSED FEES 1 January 2020 to 31 December 2020		
	Number of meetings per annum (indicative)	Base fee R's	Attendance fee R's
Committee members	**4**	30 000	15 500

Note: All amounts are exclusive of VAT

The reason for special resolution numbers 1.1 to 1.5 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution numbers 1.1 to 1.5, if passed, will be that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next Annual General Meeting of the Company.

6. SPECIAL RESOLUTION NUMBER 2: Share repurchase by GPI and its subsidiaries

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next Annual General Meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the Company and its subsidiaries ("**the Group**") has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group;
- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect, if passed, of special resolution number 2 is to grant the directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 2. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

7. INTER-COMPANY FINANCIAL ASSISTANCE

7.1 Special resolution number 3: Inter-company financial assistance

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("**financial assistance**" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related ("**related**" and "**inter-related**" will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine."

The reason for and effect, if passed, of special resolution number 3 is to grant the directors of the Company the authority to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

7.2 Special resolution number 4: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("**financial assistance**" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company ("**related**" and "**inter-related**" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription for any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for and effect, if passed, of special resolution number 4 is to grant the directors the authority to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or in any related or inter-related company or corporation. This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for or acquiring any options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a wholly-owned subsidiary raises funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

Additional disclosure in respect of special resolutions numbers 3 and 4.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 3 and 4 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the Board will only approve the provision of any financial assistance contemplated in special resolutions numbers 3 and 4 above, where:

- the Board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation have been met.

8. OTHER BUSINESS

To transact such other business as may be transacted at an Annual General Meeting or raised by shareholders with or without advance notice to the Company.

Information relating to the special resolutions

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 2 to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:

   - the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this Annual General Meeting and for a period of 12 months after the repurchase;
   - the consolidated assets of the Group will at the time of the Annual General Meeting and at the time of making such determination and for a period of 12 months thereafter, be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
   - the ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the Annual General Meeting and after the date of the share repurchase; and
   - the working capital available to the Group after the repurchase will be sufficient for the Group's ordinary business purposes requirements for a period of 12 months after the date of the notice of the Annual General Meeting and for a period of 12 months after the date of the share repurchase.

   General information in respect of major shareholders, material changes and the share capital of the Company is set out in Annexure 4 hereto, as well as the full set of annual financial statements, being available on the Company's website at www.grandparade.co.za or which may be requested and obtained in person, at no charge, at the registered office of the Company during office hours.

2. The directors, whose names appear in Annexure 2 hereto, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of Annual General Meeting contains all information required by law and the JSE Listings Requirements.

Voting

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("**the Share Register**") for purposes of being entitled to receive this notice is Friday, 25 October 2019.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this Annual General Meeting is Friday, 22 November 2019, with the last day to trade being Tuesday, 19 November 2019.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the Annual General Meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the Annual General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Certificated shareholders and own-name dematerialised shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by such shareholders who wish to be represented at the Annual General Meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the Annual General Meeting. Forms of proxy must be completed and lodged at or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61051, Marshalltown, 2107), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by no later than 18:30 on Tuesday, 26 November 2019, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the Annual General Meeting in person, will need to request their Central Securities Depository Participant ("**CSDP**") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the Annual General Meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
7. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

Electronic participation

1. Shareholders or their proxies may participate in the Annual General Meeting by way of telephone conference call ("**teleconference facility**").
2. Please note that the teleconference facility will only allow shareholders to listen in and raise questions during the allocated time. Shareholders will not be able to vote using the teleconference facility. Should such shareholders wish to vote, they must either:
   - complete the proxy form and return it to the transfer secretary in accordance with paragraph 4 on page 11; or
   - contact their CSDP or broker in accordance with paragraph 5 and 6 on page 11.
3. Shareholders or their proxies who wish to participate in the Annual General Meeting via the teleconference facility must notify the Company by emailing the Company secretary (amber@statucor.co.za) by no later than Thursday, 21 November 2019. The company secretary will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act and thereafter, if validated, provide further details on using the teleconference facility. A total of 20 telecommunication lines will be available for such participation, which will be allocated on a first-come-first-served basis.
4. The cost of the participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.
5. The Company cannot guarantee there will not be a break in communication which is beyond the control of the Company.
6. The participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the Annual General Meeting.

By order of the Board

Statucor (Pty) Ltd
Per: **AJ Rich**
Company secretary

30 October 2019
Cape Town

Registered address
33 Heerengracht Street
Foreshore
Cape Town, 8001
(PO Box 6563, Cape Town, 8012)

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

ANNEXURE 1 – GRAND PARADE INVESTMENTS LIMITED SUMMARISED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

INTRODUCTION

Economic conditions in South Africa continued to deteriorate over the last financial year. The South African economy contracted by 3.2% in the first quarter of 2019 following a marginal 1.4% increase in the last quarter of 2018. These tough macroeconomic conditions affected consumer spending which in turn had devastating effects on the retail and the food and beverage sector in South Africa.

Despite these challenging economic conditions GPI has managed to grow its leading foods brand, Burger King, significantly during the period to June 2019. The growth in Burger King was driven by higher revenues from new restaurants opened and a significant improvement in same store sales of 10.3%.

GPI has reported a considerable increase of 180% in its 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. The improvement can be attributed to an improvement in the headline earnings contribution of all operational businesses and the closure of the Dunkin' Brands businesses which had a major impact in mitigating losses associated with these brands.

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

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 of 179%. Headline earnings improved 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 improvement in headline earnings are:

- Burger King has reported a significant R38.8 million improvement in headline earnings with a positive (profit) contribution of R11.7 million compared to a loss R27.1 million 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 prior year. Gross margin gains during the second half of the financial year and an improvement in labour margins, further assisted the improvement 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% improvement.
- The decision to liquidate the Dunkin' Brands businesses and the savings associated with the closure of the businesses led to an improvement in the loss contribution of Dunkin' and Baskin-Robbins of R26.1 million.
- Corporate costs before net central finance income for the period decreased by 22% to R43.9 million compared to R56.3 million 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.

The table below reflects the contribution each investment made to Group headline earnings:

	30 June 2019 R'000	30 June 2018 R'000	Movement 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%
Bakery	**(6 951)**	(8 172)	1 221	15%
HEADLINE EARNINGS/(LOSS)	**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 its preference debt and R7.5 million on its term loan. Furthermore, the Group subsidiaries reduced their finance lease liabilities in line with their repayment terms.

		30 June 2019 R'000	30 June 2018 R'000	Movement R'000	Movement %
Holding company facilities		**490 551**	**507 118**	**(16 567)**	**(3%)**
SunWest	Preference shares	**230 267**	251 673	(21 406)	(9%)
Spur	Preference shares	**260 284**	255 445	4 839	2%
Subsidiary facilities		**69 800**	92 249	(22 449)	(24%)
GPI Properties	Term loans (Mortgage)	**59 776**	67 229	(7 453)	(11%)
Mac Brothers	Finance leases	**4 267**	8 704	(4 437)	(51%)
GF Meat Plant	Finance leases	**5 093**	14 645	(9 552)	(65%)
Burger King	Finance leases	**628**	1 324	(696)	(53%)
Baskin-Robbins	Finance leases	**–**	124	(124)	(100%)
Dunkin' Donuts	Finance leases	**–**	153	(153)	(100%)
GPIMS	Finance leases	**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%

REVIEW OF INVESTMENT OPERATIONS

FOOD

Burger King

The total number of Burger King restaurants as at 30 June 2019 was 92 of which 86 are corporate owned. The net restaurant movement for the year totalled 6, which included the opening of 10 new restaurants and the closure of 4 unprofitable restaurants. The 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 sales 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 the menu pricing architecture to increase traffic through the 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 somewhat contained 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 (excluding impairments) 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.

ANNEXURE 1 – GRAND PARADE INVESTMENTS LIMITED SUMMARISED AUDITED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Dunkin' Brands

In February 2019, Dunkin' Donuts and Baskin-Robbins was placed in provisional liquidation after management explored all other possible options to exit the businesses.

Dunkin' Donuts headline loss contribution reduced to R25.1 million, down from R36.6 million reported for the prior year.

Baskin-Robbins headline loss contribution reduced to R11.5 million, down from R24.9 million reported for the prior year.

Spur

A total dividend of R23.7 million (2018: R23.7 million) was received during the period with a related finance charge of R23.2 million (2018: R23.1 million) resulting in a R0.5 million (2018: R0.6 million) reported net profit contribution for the period.

Grand Foods Meat Plant

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 second 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 was 54% higher than the R3.5 million net loss after tax incurred last year.

Mac Brothers Catering Equipment

The difficult trading conditions in the manufacturing sector continued to hamper Mac Brothers sales and margin growth. Sales 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.

OTHER

Central Costs

The Group's net central costs excluding funding 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 and a R9.5 million receivable from Leratadima impaired in the prior period, 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 B-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 B-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.

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 she 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 of 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 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 subsequently assumed the role of Non-Executive Chairman of the Group with effect from 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.

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 shareholders of GPI. Approximately R220 million of the proceeds 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 and 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.

ANNEXURE 1 – GRAND PARADE INVESTMENTS LIMITED SUMMARISED AUDITED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

PROSPECTS

Over the last 21 years GPI has successfully navigated economic downturns and challenging business conditions by staying true to its vision of being the leading empowering investment company listed on the JSE.

In the last year the economic conditions in South Africa continued to deteriorate. The global recession exacerbated by low GDP growth and high unemployment rates 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. In the second quarter of 2019 GDP has subsequently reversed with growth of 3.5% which is an indicator of a possible recovery.

During these challenging conditions and the uncertain economic outlook, it is critical to take a cautious approach hence GPI's drive to restructure its balance sheet by reducing debt. The conclusion of the Spur and Sun Slots deals will reduce debt significantly and bolster GPI's balance sheet. In addition, the Group continues to look at improving efficiencies in the business by reducing head office costs.

GPI has a distinct value proposition which is a balance between highly cash generative assets and high growth potential assets. Burger King has performed well over the last financial year despite the tough trading conditions. The business has finally achieved both scale and profitability and is well positioned for growth over the medium term. The value in GPI lies in capitalising on the growth potential in Burger King and unlocking value for all stakeholders.

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 R'000	Restated* 2018 R'000
Continuing operations			
Revenue	6	**1 409 418**	1 101 707
Cost of sales		**(739 077)**	(569 856)
Gross profit		**670 341**	531 851
Operating costs		**(626 129)**	(510 210)
Profit from operations		**44 212**	21 641
Profit from equity-accounted investments		**132 021**	109 360
Expected credit losses		**2 400**	(10 647)
Impairment of assets		**(8 933)**	–
Depreciation		**(55 044)**	(54 285)
Amortisation		**(3 790)**	(4 406)
Profit before finance costs and taxation		**110 866**	61 663
Finance income		**6 535**	8 105
Finance costs		**(59 430)**	(48 749)
Profit before taxation		**59 971**	21 019
Taxation		**14 885**	(3 145)
Profit for the period from continuing operations		**72 856**	17 874
Discontinued operations			
Loss for the period from discontinued operations	8.1	**(109 436)**	(67 741)
Loss for the period		**(36 580)**	(49 867)
Other comprehensive (loss)/income			
Items that will be reclassified subsequently to profit or loss			
Unrealised fair value adjustments on available-for-sale investments		**–**	(35 303)
Items that will not be reclassified subsequently to profit or loss			
Unrealised fair value adjustments on investments held at fair value through OCI		**(75 882)**	–
Total comprehensive (loss)/income for the period		**(112 462)**	(85 170)
Profit/(loss) for the period from continuing operations attributable to:			
– Ordinary shareholders		**73 299**	17 677
– Non-controlling interest		**(443)**	197
Profit/(loss) for the period from discontinued operations attributable to:			
– Ordinary shareholders		**(109 436)**	(67 741)
– Non-controlling interest		**–**	–
		(36 580)	(49 867)
Total comprehensive (loss)/income from continuing operations attributable to:			
– Ordinary shareholders		**(2 583)**	(17 626)
– Non-controlling interest		**(443)**	197
Total comprehensive (loss)/income discontinued operations attributable to:			
– Ordinary shareholders		**(109 436)**	(67 741)
– Non-controlling interest		**–**	–
		(112 462)	(85 170)
		Cents	**Cents**
Basic loss per share	4.5	**(8.48)**	(11.66)
Continuing operations	4.5	**17.20**	4.12
Discontinued operations	4.5	**(25.68)**	(15.78)
Diluted loss per share	4.5	**(8.45)**	(11.66)
Continuing operations	4.5	**17.14**	4.12
Discontinued operations	4.5	**(25.59)**	(15.78)
Headline earnings/(loss) per share	4.5	**8.91**	(11.18)
Continuing operations	4.5	**19.13**	4.59
Discontinued operations	4.5	**(10.22)**	(15.77)
Diluted headline earnings/(loss) per share	4.5	**8.88**	(11.18)
Continuing operations	4.5	**19.07**	4.59
Discontinued operations	4.5	**(10.19)**	(15.77)
Ordinary dividend per share		**–**	11.50

* *The restatement of the comparative figures relates to the separate disclosure of discontinued operations from the other line items on the face of the Consolidated Statement of Comprehensive income. Refer to note 8 for details regarding discontinued operations.*

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	2019 R'000	2018 R'000
ASSETS		
Non-current assets	**2 070 370**	2 428 528
Investments in jointly controlled entities	**634 198**	625 882
Investments in associates	**382 092**	376 762
Investments held at fair value through OCI	**189 523**	494 273
Goodwill	**93 702**	92 508
Investment properties	**7 599**	7 014
Property, plant and equipment	**578 947**	633 617
Intangible assets	**29 215**	48 584
Deferred tax assets	**155 094**	149 888
Assets classified as held for sale	**36 193**	–
Current assets	**577 462**	355 223
Inventory	**76 034**	85 804
Related party loans	**21 467**	21 467
Trade and other receivables	**109 186**	101 706
Investments held at fair value through OCI	**228 868**	–
Income tax receivable	**7 920**	9 959
Cash and cash equivalents	**133 987**	136 287
Total assets	**2 684 025**	2 783 751
EQUITY AND LIABILITIES		
Capital and reserves		
Total equity	**1 881 937**	1 995 855
Ordinary share capital	**798 586**	798 586
Treasury shares	**(166 286)**	(166 286)
Accumulated profit	**1 401 781**	1 431 892
Investments held at fair value reserve	**(154 229)**	(78 347)
Share-based payment reserve	**2 085**	10 010
Non-controlling-interest	**(30 000)**	(29 557)
Total shareholders equity	**1 851 937**	1 966 298
Non-current liabilities	**284 644**	560 430
Preference shares	**225 190**	501 939
Interest-bearing borrowings	**52 276**	29 931
Finance lease liabilities	**1 301**	10 578
Provisions	**634**	631
Deferred tax liabilities	**5 243**	17 351
Current liabilities	**547 444**	257 023
Preference shares	**265 361**	5 179
Interest-bearing borrowings	**7 500**	37 298
Finance lease liabilities	**8 723**	14 442
Provisions	**13 659**	13 193
Trade and other payables	**179 773**	148 936
Dividends payable	**10 405**	10 416
Income tax payable	**494**	1 956
Bank overdraft	**61 529**	25 603
Total equity and liabilities	**2 684 025**	2 783 751

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary share capital R'000	Treasury shares R'000	Accumulated profits R'000	Financial asset fair value reserve R'000	Share-based payment reserve R'000	Non-controlling interest R'000	Total equity R'000
Balance at 30 June 2017	806 707	(166 286)	1 532 361	(43 044)	11 409	(29 754)	2 111 393
Total comprehensive income/(loss) for the year	–	–	(50 064)	(35 303)	–	197	(85 170)
– Profit/(loss) for the year from continuing operations	–	–	17 677	–	–	197	17 874
– Profit/(loss) for the year from discontinued operations	–	–	(67 741)	–	–	–	(67 741)
– Other comprehensive loss	–	–	–	(35 303)	–	–	(35 303)
Dividends declared	–	–	(50 405)	–	–	–	(50 405)
Shares cancelled [1]	(8 121)	–	–	–	–	–	(8 121)
Share-based payment reserve expense	–	–	–	–	(1 399)	–	(1 399)
Balance at 30 June 2018	798 586	(166 286)	1 431 892	(78 347)	10 010	(29 557)	1 966 298
IFRS 9 transition adjustment	**–**	**–**	**(864)**	**–**	**–**	**–**	**(864)**
Total comprehensive income/(loss) for the year	**–**	**–**	**(36 137)**	**(75 882)**	**–**	**(443)**	**(112 462)**
– (Loss)/profit for the year from continuing operations	**–**	**–**	**73 299**	**–**	**–**	**(443)**	**72 856**
– Profit/(loss) for the year from discontinued operations	**–**	**–**	**(109 436)**	**–**	**–**	**–**	**(109 436)**
– Other comprehensive loss	**–**	**–**	**–**	**(75 882)**	**–**	**–**	**(75 882)**
Share-based payment reserve expense	**–**	**–**	**–**	**–**	**489**	**–**	**489**
Share options lapsed	**–**	**–**	**6 890**	**–**	**(8 414)**	**–**	**(1 524)**
Balance at 30 June 2019	**798 586**	**(166 286)**	**1 401 781**	**(154 229)**	**2 085**	**(30 000)**	**1 851 937**

Notes

[1] *Shares bought back are deducted from share capital at cost.*

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	2019 R'000	2018 R'000
Cash flows from operating activities		
Net cash generated from/(utilised in) operations	**22 167**	(64 231)
Income tax paid	**(1 425)**	(3 090)
Finance income	**6 635**	8 387
Net cash inflow/(outflow) from operating activities	**27 377**	(58 934)
Cash flows from investing activities		
Acquisition of property, plant and equipment (excluding land and buildings)	**(98 268)**	(109 029)
Acquisition of land and buildings	**–**	(27 523)
Acquisition of investment properties	**(585)**	(193)
Acquisition of intangibles	**(4 881)**	(10 210)
Proceeds from disposal of property, plant and equipment and intangible assets	**4 020**	71 080
Loan repayment received	**–**	13 816
Investments made	**(7 164)**	(9 141)
Dividends received	**140 585**	104 962
Net cash inflow from investing activities	**33 707**	33 762
Cash flows from financing activities		
Dividends paid	**(11)**	(49 733)
Shares bought back for cancellation	**–**	(8 121)
Preference share issue	**–**	251 673
Preference share redemption	**(32 000)**	–
Repayment of loans	**(7 365)**	(21 730)
Repayment of finance leases	**(14 996)**	–
Finance costs	**(44 938)**	(33 670)
Net cash (outflow)/inflow from financing activities	**(99 310)**	138 419
Net (decrease)/increase in cash and cash equivalents	**(38 226)**	113 247
Cash and cash equivalents at the beginning of the year	**110 684**	(2 563)
Total cash and cash equivalents at the end of the year	**72 458**	110 684
Total cash and cash equivalents at year-end comprises:	**72 458**	110 684
Cash and cash equivalents	**133 987**	136 287
Overdraft	**(61 529)**	(25 603)

GRAND PARADE INVESTMENTS LIMITED NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial results

The abridged audited Group financial statements for the period ended 30 June 2019 are prepared in accordance with the requirements of the JSE Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting.

The abridged Group financial statements do not include all the information required by IFRS for full financial statements and should be read in conjunction with the 2019 audited Group annual financial statements. The accounting policies applied in the preparation of the audited Group annual financial statements, from which the abridged Group financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of previous audited Group financial statements. During the period, various new and revised accounting standards became effective, however, their implementation had no impact on the results of either the current or prior year.

These abridged Group financial statements are not audited but are extracted from audited information. The audited Group annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The audited Group annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office. The directors take full responsibility for the preparation of these abridged Group financial statements and the financial information has been correctly extracted from the underlying audited Group annual financial statements.

These abridged Group financial statements have been prepared under the supervision of the Financial Director, Mr Colin Priem.

2. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all the new, revised and amended accounting standards which were effective for the Group from 1 July 2018. The adoption of significant new standards' impact on the Group's financial results or position are presented below:

- IFRS 9 Financial Instruments; and
- IFRS 15 Revenue from Contracts with Customers

2.1 IFRS 9: Financial instruments

The objective of IFRS 9 is to establish principles for the classification and measurement of financial assets and liabilities, hedging and the introduction of the expected credit loss (ECL) model for the measurement of impairment allowances for financial assets.

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria:

- the Group's business model for managing the assets; and
- whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

2. CHANGES IN ACCOUNTING POLICIES (continued)

2.1 *IFRS 9: Financial instruments (continued)*

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The transition to IFRS 9 has had no significant impact on the Group's classification of financial assets which fall within the scope of IFRS 9. The Group has elected to continue measuring its available-for-sale investments at fair value through OCI under IAS 39 as at fair value through OCI in accordance with IFRS 9. The only difference between IAS 39 and IFRS 9 on financial assets at fair value through OCI is that under IFRS 9 the unrealised fair value adjustments on these investments are never recycled to profit and loss. The Group continues to measure its financial assets that were previously classified as loans and receivable under IAS 39 at amortised cost in accordance with IFRS 9.

The key impact of IFRS 9 for the Group relates to the application of the ECL model in the measurement of the impairment allowance of our trade and other receivables (through the application of the simplified approach) and related party loans. Previously in terms of IAS 39, trade and other receivables and related party loans were impaired when there was objective evidence of default. IFRS 9 introduces an expected credit loss model. This entails the recognition of an allowance for expected credit loss looking one year into the future or over the lifetime of the financial asset. The provision must now reflect all possible future losses based on past experience as well as future economic factors.

To measure ECLs, trade receivables and related party loans are assessed on a collective basis. The ECL rates are based on historical credit losses, adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the counterparty to settle the receivable.

The group applied IFRS 9 with an initial application date of 1 July 2018. The group applied the standard retrospectively but has elected not to restate comparative information, which continues to be reported under IAS 39.

Differences arising from the adoption of IFRS 9 have been made to the opening balances at the date of initial application. An additional credit loss allowance of R0.9 million, net of tax, as at 1 July 2018 has been recognised against retained earnings.

	Trade and other receivables
Loss allowance as at 30 June 2018 under IAS 39	(12 959)
Amount restated through retained earnings	(1 200)
Opening loss allowance at 1 July 2018 under IFRS 9	(14 159)

The additional loss allowance recognised upon the initial application of IFRS 9 as disclosed above resulted entirely from a change in the measurement attribute of the loss allowance relating to trade and other receivables.

The transition to IFRS 9 has had no change on the classification or measurement of the Group's financial liabilities, the Group still elects to classify and measure its liabilities at amortised cost as was done under IAS 39.

2.2 *IFRS 15 Revenue from contracts with customers*

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 must be applied using a five-step model:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

IFRS 15 is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive.

The Group principally generates revenue from the sale of goods, such as food through the quick-service restaurants, meat through the meat plant and hospitality equipment through the manufacturing and installation company.

Recognition

Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers, this is in line with the Group's recognition of revenue under IAS 18, therefore the transition to IFRS 15 has had no significant impact on the recognition of the Group's revenue.

Measurement

Due to the nature of the goods being sold and the pricing thereof the consideration to which the Group expects to be entitled remains the quoted price less VAT for food and meat sales. Equipment sales' consideration that the Company expects to be entitled to is the consideration per the quote and the amount agreed to in the JBCC Minor Works Agreement less VAT. This is in line with the measurement used under the previous accounting policy, therefore there has been no significant change in measurement of the Group's revenue, with no impact expected on the measurement of the Group's revenue in the future.

The transition to IFRS 15 has had no significant impact on the Group's recognition or measurement of revenue.

3. SEGMENT ANALYSIS

The chief decision-makers are considered to be the members of the GPI Executive Committee, who review the Group's internal reporting firstly by industry and secondly by significant business unit. The chief decision-makers do not review the Group's performance by geographical sector and therefore no such disclosure has been made. Listed below is a detailed segment analysis:

	External revenue		Inter-segment revenue [1]		Cost of sales		Operating costs [2]		Equity accounted earnings		EBITDA [3]	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Food	**1 431 708**	1 137 969	**28 304**	52 275	**(758 230)**	(596 361)	**(626 244)**	(552 326)	**–**	–	**49 638**	(10 718)
Burger King	**1 034 179**	775 006	**119**	–	**(467 901)**	(344 702)	**(512 233)**	(407 421)	**–**	–	**53 674**	22 883
Mac Brothers	**198 059**	171 895	**26 933**	52 275	**(136 833)**	(113 730)	**(59 969)**	(63 229)	**–**	–	**4 029**	(5 063)
Spur	**23 734**	23 726	**–**	–	**–**	–	**(295)**	(140)	**–**	–	**23 439**	23 586
Grand Food Meat Plant	**153 049**	124 411	**–**	–	**(134 343)**	(111 424)	**(15 328)**	(14 049)	**–**	–	**3 377**	(1 063)
Dunkin' Donuts	**15 849**	30 523	**–**	–	**(11 947)**	(18 260)	**(23 975)**	(36 427)	**–**	–	**(20 072)**	(24 857)
Baskin-Robbins	**6 838**	12 408	**–**	–	**(7 205)**	(7 554)	**(8 055)**	(23 436)	**–**	–	**(8 421)**	(18 582)
Bakery	**–**	–	**1 251**	–	**–**	(692)	**(6 389)**	(7 624)	**–**	–	**(6 388)**	(7 622)
Gaming and leisure	**–**	–	**–**	–	**–**	–	**–**	–	**132 021**	109 360	**132 021**	109 360
SunWest	**–**	–	**–**	–	**–**	–	**–**	–	**74 750**	70 188	**74 750**	70 188
Sun Slots	**–**	–	**–**	–	**–**	–	**–**	–	**55 159**	36 621	**55 159**	36 621
Worcester Casino	**–**	–	**–**	–	**–**	–	**–**	–	**2 112**	2 551	**2 112**	2 551
Group costs	**397**	6 669	**92 765**	96 130	**–**	–	**(38 216)**	(26 504)	**–**	–	**(37 819)**	(29 336)
GPI Properties	**306**	6 297	**22 081**	21 359	**–**	–	**6 171**	13 224	**–**	–	**6 477**	19 521
Central costs [4]	**91**	372	**70 684**	74 771	**–**	–	**(44 387)**	(39 728)	**–**	–	**(44 296)**	(48 857)
	1 432 105	1 144 638	**121 069**	148 405	**(758 230)**	(596 361)	**(664 460)**	(578 830)	**132 021**	109 360	**143 840**	69 306

	Impairments of assets		Depreciation and amortisation		Finance income		Finance costs		Net profit/(loss) after tax		Total assets		Total liabilities	
	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Food	**(74 806)**	–	**(66 546)**	(63 966)	**1 518**	1 798	**(31 518)**	(29 558)	**(107 652)**	(106 203)	**1 289 002**	1 339 427	**(563 420)**	(556 629)
Burger King	**(8 933)**	–	**(52 282)**	(48 661)	**988**	1 331	**(5 158)**	(4 217)	**3 720**	(26 573)	**690 707**	608 019	**(213 453)**	(210 585)
Mac Brothers	**–**	–	**(2 490)**	(3 973)	**–**	–	**(1 656)**	(1 664)	**(1 494)**	(7 849)	**111 243**	90 612	**(62 543)**	(42 807)
Spur	**–**	–	**–**	–	**64**	–	**(22 974)**	(22 978)	**512**	608	**413 051**	499 510	**(260 384)**	(255 559)
Grand Food Meat Plant	**–**	–	**(3 659)**	(3 411)	**366**	136	**(1 680)**	(699)	**(1 595)**	(3 490)	**57 160**	57 953	**(25 374)**	(32 318)
Dunkin' Donuts	**(39 389)**		**(4 780)**	(4 632)	**49**	115	**(49)**	–	**(64 263)**	(36 244)	**6 635**	53 109	**(110)**	(7 957)
Baskin-Robbins	**(15 551)**		**(2 770)**	(2 711)	**48**	143	**(1)**	–	**(26 650)**	(24 483)	**2 072**	19 804	**(507)**	(3 889)
Bakery	**(10 932)**		**(565)**	(578)	**3**	73	**–**	–	**(17 882)**	(8 172)	**8 134**	10 420	**(1 049)**	(3 514)
Gaming and leisure	**–**	–	**–**	–	**–**	–	**–**	–	**132 021**	109 360	**1 016 290**	1 002 644	**–**	–
SunWest	**–**	–	**–**	–	**–**	–	**–**	–	**74 750**	70 188	**634 198**	625 882	**–**	–
Sun Slots	**–**	–	**–**	–	**–**	–	**–**	–	**55 159**	36 621	**353 839**	348 205	**–**	–
Worcester Casino	**–**	–	**–**	–	**–**	–	**–**	–	**2 112**	2 551	**28 253**	28 557	**–**	–
Group costs	**–**	–	**(1 198)**	(1 488)	**5 117**	6 636	**(27 961)**	(19 192)	**(60 949)**	(53 024)	**378 733**	441 680	**(268 668)**	(260 824)
GPI Properties	**–**	–	**(1 171)**	(1 238)	**65**	19	**(6 516)**	(7 298)	**(229)**	10 774	**178 111**	187 628	**(75 468)**	(73 208)
Central costs [4]	**–**	–	**(27)**	(250)	**5 052**	6 618	**(21 445)**	(11 893)	**(60 720)**	(63 798)	**200 622**	254 052	**(193 200)**	(187 616)
	(74 806)	–	**(67 744)**	(65 454)	**6 635**	8 435	**(59 479)**	(48 749)	**(36 581)**	(49 867)	**2 684 025**	2 783 751	**(832 088)**	(817 453)

(1) Transactions between segments are concluded at arm's length.
(2) Certain costs are presented pre-elimination of intergroup charges and therefore net profit is after these eliminations.
(3) EBITDA excludes impairments.
(4) Included in Central costs is a R9.5 million impairment of the Leratadima receivable.

4. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the Weighted Average Number of Ordinary Shares (WANOS) in issue during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the diluted WANOS in issue.

Headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the WANOS in issue for the year.

Diluted headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the diluted WANOS in issue for the year.

	2019 R'000 Gross	2019 R'000 Net	2018 R'000 Gross	2018 R'000 Net
4.1 ***Reconciliation of the loss for the year attributable to ordinary shareholders***				
Basic and diluted (loss)/earnings per share reconciliation				
(Loss)/profit for the year		**(36 580)**		(49 867)
– Continuing operations		**72 856**		17 874
– Discontinued operations		**(109 436)**		(67 741)
Non-controlling interest		**443**		(197)
(Loss)/profit for the year attributable to ordinary shareholders		**(36 137)**		(50 064)

No adjustments have been made to basic earnings in calculation of diluted earnings.

	2019 R'000 Gross	2019 R'000 Net	2018 R'000 Gross	2018 R'000 Net
4.2 ***Reconciliation of headline (loss)/earnings for the year***				
Loss for the year attributable to ordinary shareholders		**(36 137)**		(50 064)
Continuing operations:				
Impairment of property, plant and equipment	**8 933**	**8 138**	–	–
Profit on disposal of property, plant, equipment and intangibles	**–**	**–**	(7 876)	(5 671)
Adjustments by jointly-controlled entities	**158**	**114**	10 717	7 716
Impairment of investment	**–**	**–**	10 488	7 551
(Profit)/Loss on disposal of plant and equipment	**158**	**114**	229	165
Discontinued operations:				
Impairment of property, plant, equipment and intangibles	**65 872**	**65 872**	–	–
Total headline profit/(loss)		**37 987**		(48 019)
Total headline profit/(loss)				
– Continuing operations		**81 551**		19 722
– Discontinued operations		**(43 564)**		(67 741)
		37 987		(48 019)

	2019 R'000	2018 R'000
4.3 ***Reconciliation of WANOS – net of treasury shares***		
Shares in issue at beginning of the year	**426 223**	429 989
Shares repurchased and cancelled during the year weighted for period held by Group	**–**	(569)
	426 223	429 420
4.4 ***Reconciliation of diluted WANOS – net of treasury shares***		
WANOS in issue – net of treasury shares	**426 223**	429 420
Effects of dilution from:		
Share options	**1 435**	–
Diluted WANOS in issue – net of treasury shares	**427 658**	429 420

	Cents	Cents
4.5 ***Statistics***		
Basic and diluted basic (loss)/earnings per share	**(8.48)**	(11.66)
– Continuing operations	**17.20**	4.12
– Discontinued operations	**(25.68)**	(15.78)
Diluted (loss)/earnings per share	**(8.45)**	(11.66)
– Continuing operations	**17.14**	4.12
– Discontinued operations	**(25.59)**	(15.78)
Headline and diluted headline profit/(loss) per share	**8.91**	(11.18)
– Continuing operations	**19.13**	4.59
– Discontinued operations	**(10.22)**	(15.77)
Diluted headline loss per share	**8.88**	(11.18)
– Continuing operations	**19.07**	4.59
– Discontinued operations	**(10.19)**	(15.77)

5. 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 expense 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 Priem[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 Hargey[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 Priem was appointed as chief financial officer on 1 July 2018.*
(6) *R Hargey 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.*

5. 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	Total remuneration 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.

5. DIRECTORS' EMOLUMENTS (continued)

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.

6. REVENUE

	2019 R'000	2018 R'000
Disaggregation of revenue		
Revenue from transactions with customers		
Food sales	**1 015 356**	756 236
Meat sales	**152 791**	126 321
Equipment sales	**196 633**	171 895
	1 364 780	1 054 452
Other revenue		
Dividends received	**23 734**	23 726
Other income*	**20 819**	21 172
Rental income	**85**	2 356
	44 638	47 254
Total revenue		
Revenue from contracts with customers	**1 364 780**	1 054 452
Other revenue	**44 638**	47 255
	1 409 418	1 101 707

** Other income includes SETA income and Youth wage subsidy.*

7. THE ASSETS INCLUDED IN NON-CURRENT ASSETS HELD FOR SALE ARE AS FOLLOWS:

	2019 R'000	2018 R'000
Non-current assets		
Land and buildings (Bakery) [1]	**26 395**	–
Property, plant and equipment [2]	**9 798**	–
	36 193	–

(1) Management is currently in negotiations with interested parties to sell the Building that was previously used by Grand Bakery to produce the donuts for Dunkin' Donuts.
(2) The property, plant and equipment of Dunkin' Donuts and Baskin-Robbins will be auctioned subsequent to year end as part of the liquidation process, as well as Bakery equipment as these are expected to be sold with the building.

8. DISCONTINUED OPERATIONS

The board decided to liquidate two of the subsidiaries in the Group, Grand Coffee House (operating as Dunkin' Donuts) and Grand Ice Cream (operating as Baskin-Robbins). The liquidation order was filed in February 2019 and all the stores were closed down on 29 February 2019. The liquidator was appointed in March 2019 and the liquidation process is still ongoing.

The bakery has ceased operations in February 2019 and has been classified as a held for sale asset and as such is disclosed as a discontinued operation.

The results of these three discontinued operations are presented below:

		2019 R'000	2018 R'000
8.1	***Results of discontinued operations***		
	Revenue	22 687	42 931
	Cost of sales	(19 152)	(26 506)
	Gross profit	3 535	16 425
	Operating costs	(38 331)	(67 487)
	Loss from operations	(34 796)	(51 062)
	Impairment of land and buildings	(10 500)	–
	Impairment of property, plant, equipment	(38 771)	–
	Impairment of intangible assets	(16 601)	–
	Depreciation	(5 080)	(5 465)
	Amortisation	(3 830)	(1 298)
	Loss before finance costs and taxation	(109 578)	(57 825)
	Finance income	100	330
	Finance costs	(49)	–
	Loss before taxation	(109 527)	(57 495)
	Taxation	91	(10 246)
	Loss for the period	(109 436)	(67 741)
8.2	***Cash flows from/(used in) discontinued operations***		
	Net cash used in operating activity	(41 341)	(37 667)
	Net cash generated from/(used in) investing activity	(946)	(23 938)
	Net cash (used in)/generated from financing activity	(447)	(65)
	Net cash flow for the year	(42 734)	(61 670)
8.3	***Impairment of assets***		
	Impairment of land and buildings	(10 500)	–
	Impairment of property, plant, equipment	(38 771)	–
	Impairment of intangible assets	(16 601)	–
	Impairment of inventory	(4 188)	–

The building from where the Bakery operated was impaired before being transferred to assets held for sale.

Due to the submission of the application for liquidation asset classes such as property, plant and equipment, and inventory have been impaired assuming a recovery of between 5c to 10c in the rand during liquidation intangible assets have been fully impaired as the value cannot be recovered through sale.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As at 30 June, the Group held the following instruments measured at fair value:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2019				
Investments held at fair value – Spur[1]	183 736	–	228 868	412 604
Investments held at fair value – Atlas Gaming	–	–	5 787	5 787
Total	183 736	–	234 655	418 391
2018				
Investments held at fair value – Spur[1]	217 529	–	270 957	488 486
Investments held at fair value – Atlas Gaming	–	–	5 787	5 787
Total	217 529	–	276 744	494 273

	2019 R'000	2018 R'000
Current asset	228 868	–
Non-current asset	189 523	494 273
	418 391	494 273

[1] *Available-for-sale investment – Spur*

The carrying value of the investment in Spur at 30 June 2019 of R412.6 million (2018: R448.5 million) is made up of the prior years acquisition price of R569.0 million and fair value adjustments of R75.9 million (2018: R35.3 million). The Group's initial investment in Spur is subject to a trading restriction linked to the Group's empowerment credentials. The restriction expires on 29 October 2019, after which the instrument may be traded without restriction. The fair value of the investment has been measured by applying a tradability discount of 3% per year remaining on the restriction against the market price of Spur, as quoted on the JSE. The tradability discount was determined with reference to the agreements which govern the trading restrictions and industry standards applied to empowerment transactions. As the terms of the trading restrictions are unobservable the instrument has been classified under level 3, had the trading restrictions not been in place, the instrument would have been classified under level 1. A change of 1.0% in the discount rate used to determine the fair value at the reporting date would have increased/decreased other comprehensive income after tax by R2.3 million (2018: R2.8 million). There were no additions to level 3 instruments in the current year.

10. CAPITAL COMMITMENTS

	2019 R'000	2018 R'000
Authorised but not contracted		
Property, plant and equipment	101 000	35 000

Capital commitments for the 2020 financial year relate mostly to the opening of new Burger King stores.

ANNEXURE 2 – DIRECTORS' RESUMÉS AND ATTENDANCE AT MEETINGS

EXECUTIVE DIRECTORS

Mohsin Tajbhai (39) – Appointed to the Board on 28 November 2018

Group Chief Executive Officer – Appointed 1 July 2019

BSc Eng, MEng, MBA, PrEng, CEng, MiStructE

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.

Colin Michael Priem (60) – Appointed to the Board on 20 August 2012

Financial Director – Appointed 1 July 2018

M Commerce (UWC)

Colin has a bachelor's degree in commerce, with honours in business administration, and a master 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.

NON-EXECUTIVE DIRECTORS

Dr Hassen Adams (67) – Appointed to the Board on 20 October 1997

Non-executive Chairman – Appointed 1 July 2019

Dr Philosophy (hc) (UWC), H Dip Civil Engineering (PenTech), Pr. Tech. Eng.

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 executive chairman of GPI, Hassen is also executive chairman of Burger King South Africa (RF) Proprietary Limited and non-executive chairman of SunWest International Proprietary Limited. He serves on GPI's Remuneration and Nomination Committee, 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).

Walter Geach (64) – Appointed to the Board on 17 September 2013

Lead Independent Director – Appointed 9 September 2019

CA(SA) BA LLB (Cape Town) MCOM FCIS

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 on the boards of Grindrod Ltd and Grindrod Bank and is a member of the audit committee of both companies.

Alexander Abercrombie (68) – Appointed to the Board on 20 October 1997

Non-executive Director

Att. Adm. Dipl. (UWC), PgD (Company Law) (Stell), Cert (Sports Law) (UCT)

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 six slots routes owned by Sun Slots countrywide and the Grand Gaming Corporate Social Investment Company.

In addition, Alex is the chairman of the board of Worcester Casino Proprietary Limited and represents GPI on the board of Sun West International Proprietary Limited. He is also a member of the Board's Investment Committee, Social and Ethics Committee and the Remuneration and Nomination Committee.

Alex is a qualified International Commercial Mediator and a former Judge of the Cape High Court.

He is well known in sports circles having been appointed by the Minister of Sport as Chair of the Appeal Board of the South African Institute for Drug-Free Sport (SAIDS). He is also Chairman of the Appeal Board of the South African Football Association and has received a Special State President's Award: "*In Recognition of Services to South African Football*" from then, former President, Nelson Mandela.

Mark Bowman (53)

Non-executive Director – Appointed to the Board on 5 December 2018

BCom (WITS), MBA (UCT)

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 $10 billion in revenue, and $1,8 billion 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.

ANNEXURE 2 – DIRECTORS' RESUMÉS AND ATTENDANCE AT MEETINGS (CONTINUED)

Ronel van Dijk (47)

Non-Executive Director – Appointed to the Board on 5 December 2018

B-Rek (Hons) (USB), CA(SA)

Ronel has a B.Rek (Hons) degree from the University of Stellenbosch. She qualified as a CA(SA) in December 1997 and thereafter spent a year working in the London office of Arthur Andersen & Co. She returned to Cape Town as audit manager with the firm.

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

In her role as CFO, Ronel was ultimately responsible for the finance, company secretarial, administrative, legal and compliance functions of the Group, as well as corporate governance and risk management. She also fulfilled a supervisory function for IT and HR. 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 she also founded, and served as Chair of the Spur Foundation.

Ronel left Spur Corporation Limited in March 2018 and was appointed as a non-executive director and Audit and Risk Committee member of GPI Limited and Adcorp Holdings Limited in December 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 to the Board on 11 July 2019

BCom (UDW), Executive Development Programme (WBS)

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 and Acquisitions. Keshan is also well experienced in the arranging, underwriting and distributing of senior and mezzanine debt instruments and has become a leading expert in BEE finance. Keshan has a strong reputation in the market as a pre-eminent financier of and advisor to BEE transactions.

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	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.*

ANNEXURE 3 – GPI GROUP REMUNERATION POLICY AND IMPLEMENTATION REPORT

REMUNERATION POLICY

In accordance with King IV™ and in compliance with the JSE 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 three 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.
- 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 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).

Key performance indicators	Gate	Target	Stretch	STI weight	LTI 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 was weighted based on relevance and importance. A gate, target and stretch measurable for each KPI was agreed and documented.

A linear formula was 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 was calculated by multiplying the score by the maximum STI or LTI

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 considering 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.

IMPLEMENTATION REPORT

The remuneration and nomination committee ("**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 10:00 to 11:00.

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 KPIs. Further, shareholders requested that they be provided with a timeline for execution of the specific targets. The Remco undertook to analyse the executives KPIs 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.

To enable effective two-way communication, the Remco urges shareholders to use the channels made available to them to engage with the Company.

VOTING AT UPCOMING AGM

Both GPI's Remuneration Policy and its Implementation Report on the Remuneration Policy will be presented to shareholders for separate non-binding advisory votes thereon at GPI's upcoming Annual General Meeting to be held on Thursday, 28 November 2019. In the event that 25% or more of shareholders vote against either the Remuneration Policy or the Implementation Report, or both, at the Annual General 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 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 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 Remco, 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 the 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

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 executive and non-executive directors during the 2019 financial year can be found at tables 2 and 3 below.

Table 1: Non-executive directors' fees.

	GPI NED FEES: CURRENT (APPROVED AGM 2017)			GPI NED FEES: PROPOSED		
	Base fee	Attendance fee	Attendance fee (above min. meetings)	Proposed base fee	Attendance fee	Attendance fee (above min. meetings)
Board chair	–	–	–	1 200 000	19 000	11 000
Lead independent	174 000	17 000	10 000	194 000	19 000	11 000
Director	138 00	17 000	10 000	154 000	19 000	11 000
ARC chair	38 850	27 000		44 000	30 000	
ARC member	26 565	13 750		30 000	15 500	
Remco chair	38 850	20 500		44 000	23 000	
Remco member	26 565	13 750		30 000	15 500	
SEC chair	38 850	20 500		44 000	23 000	
SEC member	26 565	13 750		30 000	15 500	
Invesco chair	–	–		44 000	23 000	
Invesco member	–	10 000		30 000	15 500	

Note: All amounts exclusive of VAT.

ANNEXURE 3 – GPI GROUP REMUNERATION POLICY AND IMPLEMENTATION REPORT
(CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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 expense 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 Priem[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 Hargey[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 Priem was appointed as chief financial officer on 1 July 2018.
(6) R Hargey 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.

ANNEXURE 3 – GPI GROUP REMUNERATION POLICY AND IMPLEMENTATION REPORT
(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	Total Remuneration 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.

ANNEXURE 3 – GPI GROUP REMUNERATION POLICY AND IMPLEMENTATION REPORT
(CONTINUED)

Table 3: Directors' equity-based remuneration (GPI share options granted in terms of the Grand Parade share incentive trust)

DIRECTORS' EMOLUMENTS (continued)

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.

ANNEXURE 4 – GENERAL INFORMATION RELATING TO SHAREHOLDERS

GRAND PARADE INVESTMENTS LIMITED
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2019

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
	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**

ANNEXURE 5 – COMPANY 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)
K Pillay (Non-Executive Director)
R van Dijk (Non-Executive Director)

SPONSORS

PSG Capital (Pty) Ltd

NATURE OF BUSINESS

Investment Holding Company

BUSINESS ADDRESS AND REGISTERED OFFICE

10th Floor, 33 on Heerengracht,
Heerengracht Street, Cape Town, 8001

COMPANY SECRETARY

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

REGISTRATION NUMBER

1997/003548/06

PUBLIC OFFICER

C Priem

DOMICILE AND COUNTRY OF INCORPORATION

South Africa

TRANSFER SECRETARIES

Computershare Investor Services
Proprietary Limited
PO Box 61051, Marshalltown, 2107

LISTING

JSE Limited
Sector: Financial Services
Grand Parade Investments Limited:
Registration number: 1997/003548/06
ISIN: ZAE000119814
Share code: GPL

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.

NOTES