JOINT STATEMENT FROM THE CHAIRMAN AND CEO

INTRODUCTION AND WELCOME

On behalf of the Tsogo Sun Hotels team, welcome to our inaugural integrated annual report. This year, the group celebrated its 50th anniversary, as well as the successful separate listing of Tsogo Sun Hotels on the Johannesburg Stock Exchange.

While there have been many highlights for us as a business, as we write to you, the world remains in the grip of the COVID-19 pandemic.

The reality of the pandemic and the consequent lockdowns imposed to combat the spread of COVID-19 have been devastating. At its heart, this is a human crisis. We send our sincere condolences to those who have lost loved ones to the virus.

Economically, the lockdown implemented has had a severe impact on the South African economy as a whole. The travel and tourism industry has been particularly hard hit, and our group deactivated the vast majority of its hotels in the last quarter of the financial year.

ENSURING OUR SUSTAINABILITY

We understand that our operations contribute to the livelihoods of our wide base of stakeholders – from our employees and suppliers to our communities and investors. Decisive action was required and we reacted swiftly to safeguard our business.

Our immediate focus is on protecting the sustainability of the business and ensuring that we have the financial and operational resilience to survive the lockdown.

We immediately implemented health protocols and control measures to safeguard our employees. Following the deactivation of the majority of our portfolio, we engaged with employees to share the anticipated impact of the lockdown on our business. We consulted extensively with employees to reach an agreement about the necessary temporary layoffs of staff and, post-year-end, a skeletal operating structure was established.

To assist employees who were temporarily laid off, the group applied to the Unemployment Insurance Fund (‘UIF’) Temporary Employer/Employee Relief Scheme (‘TERS’) to supplement the reduced remuneration of employees. As developments unfold, the necessary adjustments to the basis of the layoff will be reviewed against operational requirements and we will remain committed to engaging honestly with staff in this evolving situation.

Ensuring adequate liquidity for the group will be critical. As at 31 March 2020, the group was well within lender covenant requirements and, going forward, lenders to Tsogo Sun Hotels and Hospitality approved the waiver of the September 2020 covenants, securing our short-term liquidity.

The group remains committed to improving our offering and delivering great experiences to our guests. We invest continuously in the capital expenditure (‘capex’) required to keep the hotels in optimal operating condition. While we invested in the appropriate planned capex during the year, as part of our COVID-19 response plan, the group suspended all capex. Only emergency capex, and repairs and maintenance, will be considered in order to preserve cash.

For more information on our strategic response, refer to page 10 for the strategy review.
From a financial performance perspective, the business delivered solid results in an environment that was challenging before the arrival of COVID-19 in southern Africa. Total income was R4.5 billion (2019: R4.4 billion), which is 2% above the prior year. This was primarily due to growth in hotel rooms’ revenue, and in food and beverage revenue, which was offset by a reduction in property rental income and other income. COVID-19 had a marked impact on the group’s fourth quarter trading. The initial international travel regulations and the subsequent total ban on inter-provincial travel resulted in a significant decrease in revenue in March.

Managing costs remains of paramount importance and, despite the strict cost controls implemented during the year, the above-inflationary increases in administered costs, including property rates and utilities, continued to place pressure on our business.

The low revenue growth, coupled with cost pressures, meant that earnings before interest, tax, depreciation, amortisation, rentals and exceptional items (‘Ebitdar’) ended 9% down on the prior year at R1.4 billion (2019: R1.5 billion).

We fully expect the lockdown to impact our financial performance in the year ahead but we continue to take steps to minimise the impact as far as possible while engaging with government and relevant bodies to find a way to continue to operate safely. We can thus protect the livelihoods of our many stakeholders who depend on Tsogo Sun Hotels.

For more information on our financial performance, refer to page 24 of the chief financial officer’s review.

As a leadership team, we have focused on operating with ethics and responsibility, balancing the – at times – conflicting and competing needs of our stakeholders to ensure that we protect the viability of the business. In the crisis, engagement has been critical and we have collaborated with stakeholders across the spectrum to find ways to preserve value.

For more information on our governance, refer to page 62.

Hospitality formally terminated the lease with Marriott over the Arabella Hotel & Spa. In June 2020, Marriott announced that it would be terminating its relationship with three of Hospitality’s hotels: The Mount Grace, The Edward and Hazyview Sun. These are iconic South African hotels with rich histories. The Mount Grace in Magaliesburg was developed by the Brand family and was the sister hotel to the Grace in Rosebank, which we acquired and restored in 2015 and now operate as 54 on Bath. Magaliesburg is a beautiful area and has great domestic and international tourism potential, as well as strong demand for conferencing, weddings and shorter family getaways with its close proximity to Johannesburg. The Edward is a landmark on the Durban beachfront where we already have a strong presence. The hotel has a 111-year history, beautiful facilities and will add something different to our portfolio in that node. Lastly, Hazyview is on the key tourist route through Mpumalanga on the doorstep of the Kruger National Park. The addition of this hotel in the area will complement our Sabi River Sun hotel, allowing us to broaden the offering we have for the local and foreign markets which will return to Kruger when circumstances improve. We remain committed to these properties and have full faith in their viability post the COVID-19 pandemic. We are delighted to bring them under the Tsogo Sun Hotels management portfolio and fully integrate them into our distribution and management network, once the conditions for their reactivation are achieved.
On 13 July 2020, we announced the sale of the group’s 50% interest in the Maia Luxury Resort and Spa for aggregate proceeds of US$27.8m. Our intention since the listing has been to reduce our US Dollar denominated interest-bearing debt. COVID-19 has limited our ability to apply cash resources towards the settlement of this debt. The proceeds from the sale of this hotel assists us in achieving this objective and we believe that the disposal is in the best interest of the group at this time.

In uncertain times, the best investment you can make is in yourself. Hospitality has consistently traded below its net asset value despite owning a portfolio of valuable hotels, which we understand well given that the economic drivers are largely the same for South African hotels whether they are owned by Hospitality or Southern Sun Hotel Interests (‘SSHI’). As announced, we have acquired additional HPB shares from Hospitality shareholders in exchange for shares in Tsogo Sun Hotels at an exchange ratio of 1.77 TGO shares for every 1 HPB share held. To preserve cash resources in order to withstand the impact of COVID-19, we consider it prudent to use ordinary shares in the company, as opposed to cash, for the purposes of acquiring additional Hospitality shares. At the date of writing, the group increased its shareholding in Hospitality to 75%.

OUTLOOK AND APPRECIATION
As we look ahead, we know that the worst is not yet behind us. In spite of this, as mentioned, there have been some positive developments subsequent to our year end, which we believe will stand the business in good stead once trading normalises.

We remain supportive of the government’s efforts to halt the spread of the virus. As we have highlighted, no industry can survive an extended period without revenue. We welcome the opportunity to continue to engage with government and regulators to find ways to continue to open the economy as quickly as possible with due regard for safety.

On behalf of the entire leadership team, we extend our appreciation to our stakeholders for their support and collaboration as we all navigate this crisis. Thank you to our teams for your understanding and, while the future is uncertain, we remain committed to ensuring the sustainability of our operations. The short-term outlook is not positive and in the current circumstances it is nearly impossible to predict how the COVID-19 crisis will unfold.

We know, from 50 years of experience, that the legacy we leave behind is determined by the decisions we take today. We are committed to protecting the business and ensuring that we are able to deliver 50 more years of exceptional experiences to our guests.

John Copelyn
Non-Executive Chairman

Marcel von Aulock
Chief Executive Officer
GROUP OVERVIEW

OUR VISION
Our vision is to create great hospitality and leisure experiences at every one of our distinctive destinations.

WHO WE ARE
With 50 years of excellence in providing a home away from home, Tsogo Sun Hotels has earned the trust of our guests, who find variety, quality, warmth and trusted service with flair at each of our destinations.

From functional to luxurious, from exciting to relaxing, Tsogo Sun Hotels offers a brand and a service to suit every traveller’s needs.

With a portfolio of more than 110 hotels in South Africa, Africa, the Seychelles and the Middle East, an extensive selection of restaurants and bars, and a diverse collection of conference and banqueting facilities (including the renowned Sandton Convention Centre), Tsogo Sun Hotels offers unparalleled variety, footprint and scale.

OUR GROUP STRUCTURE

Our key shareholder at 31 March 2020 was Hosken Consolidated Investments Limited (‘HCI’), a JSE listed investment holding company that directly and indirectly owned 49% of the shares, excluding treasury shares.

The HCI shareholding is of particular importance to the sustainability of the group as it provides the bulk of the 75% effective black ownership at group level, while our empowerment ownership is an important part of our transformation agenda and a factor considered by government and other public bodies in awarding contracts. Furthermore, our empowerment ownership may influence relationships with customers or suppliers as it contributes to their Broad-Based Black Economic Empowerment (‘B-BBEE’) status.

* Increased to 75% post-year end.
^ Decreased to 47% post-year end.
GROUP OVERVIEW continued

TSOGO SUN THROUGH THE YEARS

Where it all began

South African Breweries Limited (‘SAB Limited’) and hotelier, Sol Kerzner, partnered to create Southern Sun Hotels (‘Southern Sun’), the largest hotel group in the southern hemisphere at the time. Southern Sun commenced operations with six hotels, including the iconic Beverly Hills Hotel in Umhlanga Rocks, Durban, and was subsequently involved in the development of many of the most prestigious hotels of the era, including the Cape Sun, Sandton Sun and Sun City. Southern Sun expanded through the acquisition and development of hotels in South Africa and neighbouring countries, throughout the 1970s and early 1980s.

Southern Sun expanded to 26 hotels. It then acquired the Holiday Inn South Africa hotel group, thereby establishing a nationwide distribution of 49 hotels, in both the upmarket and mid-market segments.

The mid-1990s saw a rejuvenation for Southern Sun as the hotel business was transformed through the introduction of the successful ‘Jumbo Jet’ strategy, which changed the portfolio to concentrate on mid-market and economy hotels rather than deluxe products. This, combined with the opening of the South African economy after the end of apartheid, saw a dramatic increase in occupancy rates and profitability.

Southern Sun acquired a 50% interest in a consortium with Liberty called The Cullinan which owned three hotels.

The casino interests of Southern Sun, including the newly built Sun City operations, were separated from its hotel business into what later became Sun International. Southern Sun retained the South African hotel operations during a difficult time for the hotel industry in South Africa as international sanctions against the apartheid government resulted in a severe contraction in demand.

Southern Sun was delisted from the JSE and became a wholly owned subsidiary of SAB Limited. Southern Sun entered into a joint venture with Accor SA, the French hotel group, to develop the Formula 1 and Formula Inn range of hotels in South Africa and the first of 23 hotels opened the next year.

Southern Sun formed a joint venture with a consortium of B-BBEE investors to form Tsogo Sun, to pursue casino licence opportunities afforded through the enactment of the National Gambling Act which regulated gambling activities and promoted uniform standards in relation to gambling in South Africa. Early success saw the Tsogo Sun Group awarded casino licences in Mpumalanga (Emnotweni Casino in Mbombela and The Ridge Casino in Emalahleni) and most importantly the Montecasino licence in Fourways, Johannesburg. These were followed by the successful applications for Suncoast Casino in Durban and Hemingways Casino in East London.

The Tsogo Sun Group expanded its hotel operations into the rest of Africa.

TSOGO SUN HOTELS Integrated annual report 2020
The Tsogo Sun Group entered into a landmark empowerment deal, through which the hotel and casino businesses were housed under one entity owned 51% by an empowerment consortium and 49% by SABMiller plc. Through a series of transactions and acquisitions, HCI acquired the various empowerment shareholders’ interests in Tsogo Sun and remains Tsogo Sun Hotels’ controlling shareholder.

This period saw the acquisition of a controlling stake in Hospitality Property Fund Limited (‘Hospitality’), through the injection of 10 hotel properties into Hospitality in an asset-for-share transaction. This stake was increased in 2017 through the addition of 29 hotel properties to Hospitality for a combination of shares and cash.

Tsogo Sun also acquired 26% of International Hotel Properties Limited (‘IHPL’), a hotel-owning company in the United Kingdom.

Tsogo Sun acquired the remaining 53% of the joint venture owning and operating Formula1 hotels in South Africa from Accor SA and rebranded these hotels as SUN1 properties. This period also saw the group acquire an additional 10% interest in The Cullinan with that entity acquiring five hotels from Liberty that were previously managed by the Tsogo Sun Group, bringing the number of hotel properties in Cullinan to eight. In addition, Tsogo Sun acquired Southern Sun Hyde Park and The Grace in Rosebank (re launches as 54 on Bath) hotels from Hyprop.

Offshore, Tsogo Sun acquired 75.5% of Ikoyi Hotels Limited which owns Southern Sun Ikoyi Hotel in Lagos, Nigeria, as well as a 25% interest in RBH Hotel Group Limited (‘RBH’), a leading hotel management company in the United Kingdom.

In July 2014, SABMiller plc exited from its long-term 39.6% shareholding in Tsogo Sun through a fully marketed secondary placement.

The group celebrated its 50th anniversary and on 12 June 2019, the hotel business was unbundled by Tsogo Sun culminating in the separate listing of Tsogo Sun Hotels on the main board of the JSE.

COVID-19, which has swept across the globe resulted in the deactivation of the vast majority of the group’s hotels in order to protect the health of our guests and employees, a black swan event never before experienced in the group’s long history.
**STRATEGY AND PERFORMANCE HIGHLIGHTS**

**OUR STRATEGIC OBJECTIVES ARE:**

**SUSTAINABILITY**
- Black ownership 75%
- R3.1 billion value added to black economic empowered businesses and government
- 162 beneficiaries supported through Tsogo Sun Entrepreneurs programme

**GROWTH**
- Level 1 B-BBEE contributor
- Leverage ratio
  - Tsogo Sun Hotels: 1.3 times
  - Hospitality: 3.2 times
- 2.9 years weighted average expiry of debt facilities
- 71% of Hospitality’s net debt is hedged
- 18 834 hotel rooms across all market segments
- 88% hotel guest satisfaction
- No significant regulation breaches
- 6 596 direct employees
- 91% of employees are African, Coloured and Indian and 56% are women

### HOW WE CREATE LONG-TERM SUSTAINABLE VALUE

The five key pillars of our sustainability include:

**DELIVER TO OUR BENEFICIARIES**
- Sharing value with our beneficiaries is a critical part of maintaining our social licence to operate
  - Level 1 B-BBEE contributor
  - Black ownership 75%
  - R3.1 billion value added to black economic empowered businesses and government
  - 162 beneficiaries supported through Tsogo Sun Entrepreneurs programme

**FINANCIAL STRENGTH AND DURABILITY**
- An appropriate capital structure is important to ensure the business survives through the economic cycle
  - Leverage ratio
    - Tsogo Sun Hotels: 1.3 times
    - Hospitality: 3.2 times
  - Unutilised facilities + cash of R1.7 billion
  - 2.9 years weighted average expiry of debt facilities
  - 71% of Hospitality’s net debt is hedged

**PRODUCT RELEVANCE TO CUSTOMER EXPERIENCE**
- To remain relevant a variety of quality experiences must be provided at appropriate price points
  - 18 834 hotel rooms across all market segments
  - 88% hotel guest satisfaction

**REGULATORY COMPLIANCE**
- As a multinational business, the group is subject to a wide range of legislation and compliance is critical to our reputation and sustained profitability
  - No significant regulation breaches

**SKILLED HUMAN RESOURCES**
- Qualified, trained, talented and empowered people are required to deliver the Tsogo Sun Hotels’ experience
  - 6 596 direct employees
  - 91% of employees are African, Coloured and Indian and 56% are women

### SUSTAINABILITY

A business has to stay in business to be able to take advantage of the commercial opportunities that are presented to it.

### GROWTH

The value of a business is the present value of the future cash flows that can be generated by the assets and other capitals utilised by the business. Growth in cash flows over time is generated through the optimal operation of the group’s capitals (organic growth) and building the tangible and intangible asset base of the group through developing and acquiring new businesses (inorganic growth).

### ORGANIC GROWTH

Optimal operation of the group’s capitals generates growth in cash flow and thus value

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (Rm)</td>
<td>4 475</td>
<td>4 389</td>
<td>2</td>
</tr>
<tr>
<td>Ebitdar (Rm)</td>
<td>1 352</td>
<td>1 488</td>
<td>(9)</td>
</tr>
<tr>
<td>Adjusted headline earnings per share (cents)</td>
<td>30</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Free cash flow (Rm)</td>
<td>26.2</td>
<td>37.9</td>
<td>(31)</td>
</tr>
<tr>
<td>Maintenance capital expenditure (Rm)</td>
<td>484</td>
<td>414</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>366</td>
<td>384</td>
<td>(5)</td>
</tr>
</tbody>
</table>

### INORGANIC GROWTH

Building the tangible and intangible asset base of the group generates growth in cash flow and thus value.

- Investment activity expenditure of R211 million was incurred during the year on the acquisition of Southern Sun Pretoria and the Riverside Conference Centre.
STRATEGIC PRIORITIES AND GROWTH DRIVERS

SUSTAINABILITY

SKILLED HUMAN RESOURCES
- Adequate resources and skills
- Engaged workforce

DELIVER TO OUR BENEFICIARIES
- Current shareholding, corporate social investment and enterprise development programmes are effective

FINANCIAL STRENGTH AND DURABILITY
- Judicious use of gearing and adequate facilities
- Own most of our assets through the controlling stake in Hospitality

ORGANIC
- Significant focus on getting more out of our existing businesses
- Continued cost focus
- Systems and values

PRODUCT RELEVANCE TO CUSTOMER EXPERIENCE
- Adequate maintenance capex
- Strong development skills in-house
- Proactive marketing of products and brands
- Management of booking channels

REGULATORY COMPLIANCE
- Compliance is part of our corporate culture
- Compliance is viewed as a necessary investment and not an unavoidable cost

INORGANIC
- New projects

GROWTH

FUTURE GROWTH DRIVERS

ECONOMIC RECOVERY
- Growth in revenue per available room ("Revpar") as economy improves through higher occupancies and the resultant rate increase and yielding opportunities
- Focus on costs to protect margins

ECONOMIC CYCLE
- Hospitality industry’s economic cycle is generally closely tied to the macro-economic cycle
- Cyclical and seasonal nature of the business links into the macro-economic environment and key analytics on trends remain crucial to support investment decisions

LOCATION
- Hotels in prime locations, where visibility and accessibility to major business hubs or points of leisure interest are important demand drivers

PORTFOLIO MANAGEMENT
- Property acquisitions
- Management contracts in South Africa

INVESTMENT IN SA HOTELS
- To maintain an appropriate balance of our debt and equity. We need to balance our cash requirements for reinvestment with our shareholders’ expectations for dividends
- We need to ensure that we have sufficient flexibility to adapt to prevailing economic conditions to maintain and improve the portfolio

EXPANSION IN OFFSHORE HOTELS
- Management contracts in Africa

CAPITAL CAPACITY
- Hotel operations require specialist expertise and are highly management and labour intensive
- A constant focus on improvement and development for each hotel is necessary in order to maintain products that are relevant to their markets
STRATEGIC REVIEW AND IMPACT ON PRIORITIES

Due to the significant impact that COVID-19 had on the group and its operations, it is important, given the information available to us at the date of finalising this report, to review its impact on our strategic priorities and future growth prospects.

Strategic priorities are internal drivers that are largely known and can be directly influenced by management and our relationships with major stakeholders. Future growth prospects are largely externally driven, and while management has the ability to lobby government through industry bodies for the accelerated opening of the economy with due regard for safety protocols, our growth prospects are uncertain at this stage and depend largely on the recovery of the South African economy. Economists and analysts currently expect market conditions and socio-economic imbalances to push South Africa to an ‘L-shaped’ recession depicted by a steeper economic decline and a very prolonged recession. This deeper recession often accompanies credit rating downgrades, as we saw towards the end of March 2020. In conjunction with the national lockdown in response to COVID-19, the recession is likely to result in corporate defaults, bankruptcies and retrenchments, as companies grapple with access to capital and restructuring operations to fund and reduce cash burn. Companies that are agile and flexible in responding to the financial and operational pressures imposed by the pandemic will fare better.

The recovery of the hospitality industry specifically is expected to be slow due to the uncertainties around the health of travellers, and the negative economic impact on government, corporates and individuals leading to reduced spend on hotel accommodation and conferences.

POTENTIAL IMPACT ON STRATEGIC PRIORITIES AND FUTURE GROWTH DRIVERS

<table>
<thead>
<tr>
<th>Deliver to our beneficiaries</th>
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<tbody>
<tr>
<td>The HCI shareholding following the listing and unbundling was 49% in Tsogo Sun Hotels and it remains important from a B-BBEE perspective. As outlined in our pre-listing statement, the group intended to apply cash resources generated during the initial 15 months post-listing towards the settlement of our offshore division’s US Dollar denominated interest-bearing debt. Given the anticipated extended period of minimal revenue, the directors considered it prudent to retain cash resources in order to ensure that the group is able to navigate this difficult period until trading resumes. With unutilised facilities and cash of R1.7 billion as at 31 March 2020, and with hotels beginning to operate, albeit under restrictions at this stage, we do not anticipate the need to launch a rights offer in order to fund our operations.</td>
</tr>
<tr>
<td>With the deactivation of the group’s hotels, all community investment and sponsorship activities were suspended. Remote business support continued to be provided to registered beneficiaries of the Tsogo Sun Entrepreneurs programme.</td>
</tr>
<tr>
<td>The group is also seeking rent relief from landlords for the lockdown period and subsequent low demand periods. Negotiations in this regard are ongoing.</td>
</tr>
<tr>
<td>In addition, the group has negotiated reduced or extended payment terms with major suppliers, particularly those providing fixed cost services such as security and lift maintenance. Municipal rates and taxes are a material fixed monthly cost for the group and while we currently continue to meet these obligations, we are lobbying government through industry bodies to grant a deferral or payment holiday. Contractual variable costs with suppliers were reduced to nil until trading resumes by extending the period of the contracts.</td>
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</table>
Finance strength and durability

Gearing levels for both Tsogo Sun Hotels and Tsogo Sun Gaming prior to the listing and unbundling were carefully considered, based on the respective businesses’ risk profiles including cash flow generation, earnings volatility and cyclical. Tsogo Sun Hotels retained two key debt funding packages:

1. Hospitality’s net debt is R2.3 billion (2019: R1.9 billion). For as long as Hospitality remains a Real Estate Investment Trust (‘REIT’), it is obliged to distribute at least 75% of its distributable earnings to its shareholders and has traditionally distributed 100% of earnings. Historically, capex has been funded through additional debt and consideration was given to retaining distributions in future, depending on the level of capex and the debt covenants within Hospitality.

COVID-19 highlighted the shortcomings of a hospitality REIT in a crisis market. In this zero revenue environment, where Hospitality is increasing its debt burden and building an assessed loss through covering the fixed property-related costs of the hotels, such as administered costs, insurance and security, the preference is to retain cash resources – to settle debt – and retain profits – to utilise the assessed loss. As at 31 March 2020, Hospitality was well within lender covenant requirements:

- Leverage ratio (net debt:Ebitda\(^{1}\)) of 3.2 times against a maximum covenant requirement of no more than 3.5 times
- Interest cover ratio of 3.7 times against a minimum covenant requirement of at least 2 times

2. The offshore division’s US Dollar denominated net debt is R1.3 billion or US$72 million (2019: R1.1 billion or US$77 million), which is susceptible to foreign currency fluctuations. The debt is split between the group’s offshore holding company in Mauritius, Southern Sun Africa and in-country packages, primarily in Mozambique (Southern Sun (Mozambique) Limited) and Nigeria (Ikoyi Hotels Limited). This debt is guaranteed by the South African operations and is considered high, relative to the cash being generated by the offshore division. Again, our preference is to retain cash resources in the medium term as trading normalises in order to settle this debt and reduce our exposure.

The inability to generate revenue during the lockdown period, together with the expected slow recovery once the hotels can open and operate, has made it clear that the group will not be able to meet its covenant requirements in terms of its funding agreements for the measurement period 30 September 2020 and 31 March 2021. Following negotiations with lenders, the group has secured:

- The waiver of its covenant requirements for the measurement period after 30 September 2020
- The capitalisation of bank funding interest to the group’s revolving credit facilities until 30 September 2020

At the date of the annual financial statements, the lenders are not able to provide waivers on the minimum covenant requirements for the measurement period ending 31 March 2021. This will only be considered after 30 September 2020 and management has no reason to believe that the necessary waivers will not be granted. However, given that the covenant waivers for 31 March 2021 have not been obtained, Hospitality is currently unable to meet the solvency and liquidity test and accordingly, no dividends can be legally declared.

\(^{1}\) Earnings before interest, taxation, depreciation and amortisation (‘Ebitda’).
Product relevance to customer experience
The group has a history of continuous investment in our product in order to deliver great experiences to our guests. Capex consists mostly of maintenance and refurbishment capex required to keep the hotels in optimal operating condition. The group maintains a rolling five-year capex planning system to identify hotels requiring minor and major refurbishment, as well as plant and infrastructure requirements.

The maintenance capex programme on the hotel operations in the year amounts to R366 million (2019: R384 million) and includes major refurbishment spend at Westin Cape Town, Garden Court Hatfield, Southern Sun Ikoyi and Southern Sun Lusaka. In addition, the lifts at Southern Sun Cape Sun are undergoing replacement. The balance of the programme consists of ongoing refurbishments across hotels, annual unit-based capex (including operating equipment) and investment in information technology ('IT') hardware, primarily Wi-Fi related. Due to the size of the Westin and Southern Sun Lusaka refurbishments, the current capex programme is elevated and is expected to moderate in coming years. This excludes inorganic investments we may undertake to expand our operations.

As part of our COVID-19 action plan, the group suspended all capex with only emergency capex and repairs and maintenance to be considered in order to preserve cash.

Regulatory compliance
The South African regulatory environment continues to become more complex with the ongoing introduction of new legislation, rulings, practices and policies. The advent of COVID-19 has complicated this landscape further with numerous directives and practice notes released by the JSE providing guidance to issuers to protect investors and other stakeholders through enhanced financial and qualitative disclosures relating to the impact of COVID-19. The group continues to comply with these guidance notes where relevant.

The main regulatory impact on our business as a result of COVID-19 are the health and safety regulations introduced by government. With our culture of high customer health and safety standards, the group was well placed to comply with these regulations and worked closely with government and the Tourism Business Council of South Africa ('TBCSA') to develop the health and safety protocols for the tourism industry as a whole. Since we already have a high level of compliance in this area, the implementation of these protocols is not expected to require material capex spend.

Human resources
Our well-trained and engaged employees are key to our delivery of great experiences to our guests. Where our staff are employed at our properties that were repurposed for use as isolation and quarantine facilities, as well as to provide accommodation for health and essential workers, strict safety rules are adhered to and comprehensive training is provided.

Following the move to level 3 of the national lockdown and in anticipation of the reactivation of hotels, the group has a number of health protocols and control measures to safeguard our employees. These measures include employee training, personal protective equipment and hygiene resources, social distancing and screening as well as increased sanitation and hygiene processes. Tsogo Sun's digital learning platform provides COVID-19 modules that employees can access remotely to stay informed.

We understand that this is an extremely stressful time for our employees and we are committed to engaging with them openly and honestly. On 20 March 2020, the group made an internal announcement to all management and staff sharing the severe impact that COVID-19 and the national state of disaster are expected to have. We consulted with employees to reach an agreement on the terms and conditions for a temporary layoff of staff. Subsequently, at the end of March, a skeletal operating structure was established.

The group applied to the UIF TERS to supplement the reduced remuneration of employees who were temporarily laid off. As developments unfold, the necessary adjustments to the basis of the layoff will be reviewed against operational requirements. The group published a COVID-19 human resources policy to inform behaviour and safeguard our people’s health at the workplace when business resumes.

The Tsogo Sun Group Medical Scheme responded swiftly to COVID-19, ensuring members and their beneficiaries receive the appropriate level of cover and communication during this period. However, it is still too early to determine the impact on the scheme.
**Organic growth**

Based on current trading, we expect the recovery in occupancies to pre-COVID-19 levels to take at least 18 to 24 months. In response to the excess supply in the market, and as part of our phased reopening plan, the group has only reactivated half of its portfolio in phase 1 under level 3 of the national lockdown and this could be revised depending on demand. Phase 2 hotels will be reactivated once inter-provincial leisure travel is allowed based on anticipated demand.

The remaining hotels are not expected to be reactivated for an extended period of time, which are generally those that are reliant on international inbound travel and significant groups and conferencing business.

With excess supply in the market and a lack of demand, average room rates will be under pressure. We are thus focused on ensuring that we are the lowest cost operator in the market so that our hotels remain profitable even at the reduced pricing and occupancy levels. One benefit of the current market conditions is that there should be a respite in new rooms supply to the market for at least the next three to five years.

**Inorganic growth**

In this constrained growth environment and with the group utilising available cash and debt facilities to fund operations while the economy recovers from the impact of COVID-19, inorganic growth is not our focus for the short to medium term.
Execution of a robust strategy informed by and responding to material risks and opportunities will lead to optimal utilisation of capitals and generation of cash flows and ultimately value.

The value of a business is the present value of the future cash flows that can be generated by the assets and other capitals utilised by the business.

The capitals that generate these cash flows include:

- **Manufactured**: Our hotel real estate together with our employees who provide guests with our signature hospitality experience.
- **Natural**: Our intangible capitals such as licences, brands, trademarks, technology and systems, which provide seamless delivery of that experience.
- **Human**: Our financial resources to pursue growth opportunities.
- **Intellectual**: Our quality relationships with key stakeholders.
- **Financial**: Our strategy in action section provides more insight into our performance and outlook as well as how our capitals are deployed in our strategy and business model to generate and sustain value in the long term.
## Utilisation of the Capitals

<table>
<thead>
<tr>
<th>Reference</th>
<th>Page</th>
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<tbody>
<tr>
<td>Hotel footprint</td>
<td>20</td>
</tr>
<tr>
<td>Natural capital</td>
<td>43</td>
</tr>
<tr>
<td>Human capital</td>
<td>55</td>
</tr>
<tr>
<td>Intellectual capital</td>
<td>50</td>
</tr>
<tr>
<td>Financial capital</td>
<td>24</td>
</tr>
<tr>
<td>Social and relationship capital</td>
<td>34</td>
</tr>
</tbody>
</table>

**Significant focus is placed on the quality of the facilities and experiences offered at each of our hotels. To remain relevant a variety of quality experiences must be provided at appropriate price points across all market segments. Our hotels have a wide geographic distribution which is key to the group’s competitive advantage. We have continuously invested in developing and maintaining our properties to keep them relevant and fresh.**

**Our utilisation of natural capital is predominantly driven by our requirement for optimally located properties upon which we have instituted property-specific environmental management systems focused mainly on energy, water, waste management and responsible procurement.**

**People are at the core of delivering the Tsogo Sun Hotels’ experience, both front and back of house. A pool of qualified, trained and talented people is required to deliver these experiences, supported by empowered management and relevant support services. Employee development and engagement remain focus areas to ensure we attract and retain the highest-calibre people to drive our strategy.**

**Our brands underpin the quality experiences of our customers. We are consistently striving to innovate our physical product, technology, accessibility and brands to remain relevant to our customers. Our intellectual capital is largely driven by our people, processes and systems, market intelligence and specialist business partners.**

**Our ability to generate cash flows as well as access to well-priced debt and equity funding determines our ability to fund organic and inorganic growth.**

**Quality relationships with our key stakeholders are vital to the long-term sustainability of Tsogo Sun Hotels. Building trust and credibility with our key stakeholders is crucial to retaining our social and regulatory licence to operate.**
In South Africa, the group will only manage operations for third parties if they are strategically important (due to partner requirements or location) and where there is no option to own or lease.

The group manages operations for offshore third parties as this is a low-risk option to enter new markets and operate hotels as a franchisee where necessary due to brand differentiation requirements. However, the group does not act as a franchisor of its brands. In addition, the offshore division seeks to access new hotel opportunities through a variety of management contracts or new builds (on its own or via joint ventures), primarily within its existing operating markets.

The majority of Tsogo Sun Hotels’ occupancy depends on the business traveller, government and group and convention markets. Relationships with key customers and travel intermediaries, and access to the correct distribution networks, are critical in driving both occupancies and average room rates throughout the group.

The internally managed hotel operations are performed via six operational departments, five of which are regionally based and one is brand focused. The regional operations are Cape, KwaZulu-Natal, central northern, eastern northern and offshore (Africa, Seychelles and Middle East), while resorts (mostly timeshare) has a brand-based office as a result of its unique product offering.
This collectively makes up the management (‘Manco’) division’s activities, through which the group operates its hotel portfolio.

As the group’s major property-owning subsidiary, Hospitality owns a total of 54 hotels in South Africa.

<table>
<thead>
<tr>
<th>HOTELS</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>South Africa</td>
</tr>
<tr>
<td>42</td>
<td>Leased and managed by the group</td>
</tr>
<tr>
<td>12</td>
<td>Leased and managed by external operators including Marriott and Radisson</td>
</tr>
</tbody>
</table>

Outside of Hospitality, various group subsidiaries own and manage a further 29 hotels.

<table>
<thead>
<tr>
<th>HOTELS</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>South Africa</td>
</tr>
<tr>
<td>7</td>
<td>Offshore</td>
</tr>
</tbody>
</table>

With 75% of our hotel real estate owned either through freehold or leasehold title, we prefer the ‘asset-heavy’ hotel model as it provides strategic advantage of scale in South Africa. This model allows the group to retain control over its assets, thereby ensuring security of tenure and resilience through economic cycles. While this model is more capital intensive, it allows for higher returns on effort.

The regional and brand management teams are supported by key centralised services which aim to ensure the hotels have access to the required expertise at the most efficient cost structure. These include:

**Accounting**
- Central accounting services both for the organisation as a whole, which operates under SAP, and activities such as centralised payroll, debtors, creditors and cash book, procurement and management information systems.

**Reservations, Channel Management, Web and Marketing**
- Central reservations, channel management, web and marketing services are provided across the group, ensuring that the hotels have access to the necessary booking channels, global distribution systems and sales channels at competitive costs.

**Sales and Revenue Management**
- A centralised sales team focuses on direct sales to existing key and potential new accounts. These include account management and product training for larger customers including sports bodies, government, state-owned entities, conference organisers and corporate clients. The long-standing relationships we have developed with organisations such as the South African Rugby Union, stem from our ability to handle complex travel requirements countrywide, during normal season and extraordinary tournament periods. Our revenue management team supports the sales team, providing a more cohesive outlook towards topline generation, particularly contracted and negotiated revenue streams which make up a material portion of our business. Closing the deal will always be a fine balancing act between price and volume and this has never been more important than in the difficult environment we are going to experience in coming years.

**Marketing**
- Marketing including core promotions like the Sunbreaks campaign, the summer sale and promotion of the rewards programme. Up to 35% of the group’s rooms revenue is generated from rewards members illustrating the depth of the reach and the value offered by our extensive portfolio in South Africa.

**Information Technology**
- IT services including sourcing and maintaining appropriate operating systems such as reservations, property management, sales and catering, the human resource management system (including payroll). These services also include procurement and support of hardware including physical and virtual private branch exchanges (‘PABXs’), personal computer requirements, networking of hotel systems and Wi-Fi infrastructure.

**Development**
- Development services including facilities management, project management of major repairs and renovation projects and new property developments.

**Human Resource**
- Human resource services including policies and procedures, payroll management, labour and employment equity compliance, pension and medical aid administration, industrial relations, the group’s B-BBEE monitoring, compliance and planning incorporating the flagship Tsogo Sun Entrepreneurs programme as well as training and human capital development.
Tsogo Sun Hotels’ key differentiator in South Africa is its wide distribution of quality hotel products. In addition, the delivery of consistent exceptional guest experience remains the focus at all of the hotels to differentiate in an often commoditised industry. Within each region the group operates hotels across a number of well-recognised brands, servicing a broad spectrum of traveller from luxury to economy.

<table>
<thead>
<tr>
<th>LUXURY PORTFOLIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each hotel in the luxury portfolio is individually branded and operated according to its own personality, derived from its location, design and community environment. These luxury hotels are typically graded as five-star hotels and are some of the most iconic properties in their locations including Sandton Sun at Sandton City, Palazzo at Montecasino, Beverly Hills in Umhlanga and 54 on Bath in Rosebank. We also operate two InterContinental branded hotels in Johannesburg under licence from the InterContinental Hotels Group plc (‘IHG’).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandton, Umhlanga, Rosebank, Fourways, Seychelles</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FULL SERVICE PORTFOLIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Sun Hotels and Resort hotels</td>
</tr>
<tr>
<td>Southern Sun Hotels is our core, full-service brand and is typically graded as four-star when applicable. The majority of these hotels are located in key urban nodes, servicing business and leisure travellers alike. The properties have substantial food and beverage operations as well as conference facilities. Resort properties are located in attractive tourist destinations such as Umhlanga, Plettenberg Bay, the Drakensberg and Mpumalanga and include a large Timeshare operation. During the year, the Crowne Plaza in Rosebank was rebranded as Southern Sun Rosebank leaving only Holiday Inn Sandton as the remaining IHG brand operated by the group within the Southern Sun Hotels category of branding. The final gem in this collection is the beautiful Paradise Sun on the Island of Praslin in the Seychelles.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Umhlanga, Cape Town, Durban, Plettenberg Bay, Drakensberg, Mpumalanga, Rosebank, Nigeria, Mozambique, Tanzania, Seychelles</td>
</tr>
</tbody>
</table>
**FULL SERVICE PORTFOLIO**

**Garden Court**
A well-established and successful mid-market offering, spanning 20 hotels with 3,959 rooms. This brand includes large well-known hotels such as Garden Court Marine Parade and Garden Court Sandton City, which have both undergone a complete refurbishment in recent years, through to smaller properties such as Garden Court Newcastle, which was recently expanded by a further 40 rooms. Garden Court Kitwe in Zambia opened in 2018 and represents the first Garden Court outside of South Africa.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>HOTELS</th>
<th>ROOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa, Zambia</td>
<td>20</td>
<td>3,959</td>
</tr>
</tbody>
</table>

**SunSquare**
SunSquare hotels are our alternative and trendy offering to the mid-scale market. With properties at Montecasino, Suncoast, Cape Town City Bowl and Cape Town Gardens, these hotels are situated in great locations and include creative in-house concept restaurants such as Jeera, Vigour & Verve and Zepi.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>FOOD AND BEVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montecasino, Suncoast, Cape Town City Bowl, Cape Town Gardens</td>
<td>Jeera, Zepi, Vigour &amp; Verve</td>
</tr>
</tbody>
</table>

**ECONOMY**

**StayEasy**
Catering to the economy segment, this brand has grown to 10 properties with 1,505 rooms. Offering great value and tasteful rooms, these hotels were developed in key business locations such as Century City and City Bowl in Cape Town, Eastgate, Pietermaritzburg and Pretoria. The group also has StayEasy products outside of South Africa with hotels in Lusaka, Zambia and Maputo, Mozambique. The Maputo hotel is the latest build and opened its doors to guests in 2018.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>PROPERTIES</th>
<th>ROOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Town, Eastgate, Pietermaritzburg, Pretoria, Zambia, Mozambique</td>
<td>10</td>
<td>1,505</td>
</tr>
</tbody>
</table>

**hi Hotels**
hi Hotels is the latest brand offering to be introduced by the group. These hotels consist of a modular design, with each room fully factory built. They are scalable in that we can deliver an attractive physical product with unique bedroom and public space facilities at a capital cost that makes the hotels highly feasible. The first hi Hotel opened its doors at Montecasino in February 2020. Although it was only open for a short six weeks before closing under the national lockdown, it achieved good results and we believe that the brand has strong potential for the future.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>OPENED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montecasino</td>
<td>February 2020</td>
</tr>
</tbody>
</table>

**SUN1**
The SUN1 brand comprises the portfolio of budget hotels acquired from Accor, which were originally built as Formula 1 hotels in South Africa. This portfolio has undergone a substantial refurbishment in most of the properties post-acquisition and consists of 22 hotels situated countrywide. SUN1 offers well-appointed rooms sleeping up to three guests at a great price. SUN1 Southgate was recently expanded and, with 138 rooms, it is the largest SUN1 hotel.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>HOTELS</th>
<th>ROOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countrywide</td>
<td>22</td>
<td>1,741</td>
</tr>
</tbody>
</table>
### Operating Model Continued

#### Geographical Footprint

<table>
<thead>
<tr>
<th>Location</th>
<th>Group Revenue Contribution</th>
<th>Group EBITDAR Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>87%</td>
<td>93%</td>
</tr>
</tbody>
</table>

**South Africa**
- Northern Cape: Kimberley
- Western Cape: Cape Town, Caledon, Hermanus, Mossel Bay, Beaufort West
- Eastern Cape: East London, Mthatha, Port Elizabeth
- Free State: Bloemfontein
- North West: Rustenburg
- Gauteng: Johannesburg, Pretoria, Vereeniging, Magaliesburg
- Limpopo: Polokwane
- Mpumalanga: Mbombela, eMalahleni, Hazvvyew
- KwaZulu-Natal: Durban, Pietermaritzburg, Newcastle, Winterton, Umlangla, Richards Bay, Ulundi

#### International Markets

<table>
<thead>
<tr>
<th>Location</th>
<th>Group Revenue Contribution</th>
<th>Group EBITDAR Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom(1)</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Lagos</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>Lusaka, Kitwe</td>
<td></td>
</tr>
<tr>
<td>Mozambique</td>
<td>Maputo, Tete</td>
<td></td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>Abu Dhabi</td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td>Dar es Salaam</td>
<td></td>
</tr>
<tr>
<td>Seychelles</td>
<td>Mahe, Praslin</td>
<td></td>
</tr>
</tbody>
</table>

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(1) Tsogo Sun Hotels owns a minority interest in both IHPL and RBH and accordingly hotels owned and managed by these entities have been excluded from the footprint.

(2) As per the group segmental analysis.
<table>
<thead>
<tr>
<th>Owned/leased</th>
<th>Managed</th>
<th>Total</th>
<th>Group revenue contribution(2)</th>
<th>Group Ebitdar contribution(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>TSOGO SUN OPERATED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manco(3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coastal</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Inland</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offshore</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes revenue generated by Manco and the elimination of internal management fees.
(2) As per the group segmental analysis.
(3) The chief operating decision maker (‘CODM’) reviews rental income net of rates and taxes expensed by the lessor for segmental reporting purposes.
INVESTMENT CASE

WHY INVEST IN TSOGO SUN HOTELS?

1. High-quality assets
2. Location
3. Geographic distribution
4. Use debt prudently
5. Monitor our leverage ratios and other covenant requirements

HIGH-QUALITY ASSETS IN KEY LOCATIONS
We operate high-quality hotels in which we invest significant amounts to continually maintain and improve.

The location of the majority of our hotel properties in urban areas throughout South Africa maximises public exposure and ensures access to critical supplies and services.

The wide geographic distribution of our hotel properties in South Africa is mainly in key urban centres and is an important market differentiator.

STRAIGHT PORTFOLIO OF BRANDS
Within each region, the group operates hotels across a number of well-recognised brands, servicing a broad spectrum of travellers from luxury to economy.

Over our 50-year heritage we have achieved strong recognition within both the corporate and consumer markets in South Africa and Africa.

By having a centralised marketing department and plan, marketing spend at individual units can be re-directed, and in some cases rationalised, to focus on marketing initiatives that are beneficial across our entire portfolio.

In recent years this has enabled efficiencies to be made in our marketing efforts, reducing cost and improving brand alignment.

FINANCIAL STRENGTH AND DURABILITY
In order to withstand the impacts of macro-economic cycles, we aim to ensure that debt is used prudently, with regular monitoring of our leverage ratios and other covenant requirements including interest cover and loan to value (‘LTV’) ratios.

The group also ensures availability of sufficient credit facilities with long-term maturities, providing additional sources of liquidity.
RESPONSIVE TO CUSTOMER NEEDS
We seek to deliver the high quality accommodation, conferencing, dining and eventing experiences that our guests desire.

The Tsogo Sun Hotels rewards programme and SunRands currency provides us with detailed information about trends across our customer base and the activities of individual clients. This enables us to improve our offering in response to changing consumer behaviour and to meet the demands of top tier active rewards club members more effectively.

VAST MAJORITY OF ASSETS OWNED
Our portfolio philosophy is based on a preference to own all components of the hotel businesses (land, buildings, operations, management and brand) wherever possible.

Although this approach can be more capital intensive, we believe it facilitates superior returns on effort, avoids the challenges of joint ownership and ensures control over strategic assets is retained.

Of the 111 hotels operated by the group, we own or lease 83 (representing 80% of our total rooms) and manage 28 for third parties.

CENTRALISED MANAGEMENT STRUCTURE AND HIGHLY EFFICIENT USE OF TECHNOLOGY
The scale of the group has enabled the implementation of an integrated approach across our hotels.

This approach maximises the use of our assets and resources under a unified management structure and within a common corporate identity. This allows us to enhance the experience we offer our guests across multiple properties, ensures consistency across our product offerings and assists the market to understand the scale and diversity of our operations.

Taking advantage of our scale, our strategy is to centralise administrative functions so as to realise efficiencies and ensure the consistent application of corporate policies throughout the business. Processes and systems are automated where appropriate, meaning that our portfolio can be expanded without any consequent need to increase administrative resources.

VAST MAJORITY OF ASSETS OWNED
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COMMITMENT TO BROAD-RANGING STAKEHOLDERS
We are committed to the upliftment and development of local communities. Key guiding principles in respect of the communities within which we operate commit us to actively engage in partnerships that bring measurable benefits to stakeholders, enable us to achieve our long-term business goals, and to support organisations which aim to strengthen and develop civil society.

During the year ended 31 March 2020, the group’s combined social investment in community development amounted to R11 million. This is the equivalent of 9% of net profit after tax and represents 8% more than the tourism sector code target.

We consider ourselves a leader in the empowerment of previously disadvantaged people, businesses and communities in South Africa.

2
The 83 hotels owned or leased by the group represent 80% of our total rooms.

3
Participants in the reward programme contributed 36% of total rooms revenue for the year ended 31 March 2020.

4
Group’s combined social investment in community development:
R11 million during the year ended 31 March 2020.

6
An integrated approach under a unified management structure within a common corporate identity.

7
Centralised management structure and highly efficient use of technology.

Participants in the reward programme contributed 36% of total rooms revenue for the year ended 31 March 2020.

Group’s combined social investment in community development: R11 million during the year ended 31 March 2020.