



TSOGO SUN HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1989/002108/06
Share code: TSH
ISIN: ZAE000156238
("Tsogo")

HOSPITALITY PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
Registration number 2005/014211/06
Share code for A shares: HPA
ISIN for A shares: ZAE000203022
Share code for B shares: HPB
ISIN for B shares: ZAE000203030
(Approved as a REIT by the JSE)
("Hospitality")

**UPDATE IN RESPECT OF THE PROPOSED TRANSACTION BETWEEN TSOGO AND
HOSPITALITY AND FURTHER HOSPITALITY CAUTIONARY ANNOUNCEMENT**

Further to the recent Hospitality cautionary announcements, the latest of which was released on SENS on 6 October 2015, Tsogo and Hospitality shareholders are advised that in principle agreement has been reached on most of the key commercial terms of a transaction in terms of which:

- Hospitality will convert its dual-class share capital structure to a single-class share capital structure, based on a swap ratio of 3.5 B ordinary shares for every 1 A ordinary share; and
- Hospitality will (directly or through the acquisition of a subsidiary) acquire a portfolio of 10 hotel properties detailed below (the "**Tsogo portfolio**") from the Tsogo group in exchange for the issue of Hospitality ordinary shares to a Tsogo group company,

(together, the "**transaction**"), such that the Tsogo group will hold more than 50% of Hospitality's ordinary shares in issue after the implementation of the transaction (taking into account the Tsogo group's existing holding of 78.3 million Hospitality B shares as well as the shares issued in consideration for the Tsogo portfolio). The final terms of the transaction remain subject to review by the Hospitality board of directors for approval and recommendation to shareholders of Hospitality, as well as the conclusion of formal written agreements (and will in addition be conditional on receipt of all requisite regulatory and Hospitality shareholder approvals).

The Tsogo portfolio comprises Garden Court South Beach; Garden Court O.R.Tambo; Garden Court Milpark; Garden Court Polokwane; Stay Easy Century City; Garden Court Kimberley; Southern Sun Newlands; Stay Easy Rustenburg; Southern Sun Bloemfontein and Sun Square Cape Town. Each of the properties will be subject to a long term fixed and variable lease, a management contract and a licence agreement in respect of the hotel brand with subsidiaries of Tsogo.

Hospitality shareholders are advised to continue to exercise caution when trading in their Hospitality shares until a further detailed announcement is made.

18 November 2015

Corporate advisor and transaction sponsor to Tsogo
Investec Bank Limited

Corporate law advisor to Tsogo
Tabacks

Sponsor to Tsogo
Deutsche Securities (SA) Proprietary Limited

Corporate advisor and transaction sponsor to Hospitality
Java Capital

Corporate law and tax advisor to Hospitality
ENS Africa

Sponsor to Hospitality
Rand Merchant Bank (A division of FirstRand Bank Limited)