



# Directors' report

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FOR THE YEAR ENDED 31 DECEMBER 2019

## To the shareholders of Sun International Limited (Sun International or the company)

The directors have pleasure in submitting the financial statements of the Sun International group for the year ended 31 December 2019. Kindly take note that the period covered by this directors' report is from 1 January 2019 to 31 December 2019.

### Nature of business

The Sun International group has interests in, and provides management services to businesses in the hotel, resort, casino and gambling industry. There has not been any material changes in the nature of the group's businesses from the prior year save for the transactions as detailed in the summarised consolidated audited financial statements released on SENS on 31 March 2020.

### Financial results

Particulars of the Sun International group's attributable earnings and earnings per share for the year ended 31 December 2019 are included in the statement of comprehensive income, while particulars of the Sun International group headline earnings per share (HEPS) for the year ended 31 December 2019 are provided in note 9 of the financial statements.

Full details of the financial position and results of the Sun International group are set out in these financial statements.

### Dividends

The company did not declare an interim or final dividend during the year ended 31 December 2019.

### Associate companies and other investments

Particulars of the associate companies, joint ventures and other investments are provided in the group financial statements in note 13.

### Corporate activity during the year and after the balance sheet date

Commentary on the nature of business of the company, and its subsidiaries, acquisitions, future developments and prospects of the group are addressed in the summarised consolidated audited financial statements of the Sun International group, which were released on SENS on 16 March 2020.

### Share plans

Full particulars relating to awards and grants made under the various Sun International share plans are provided in note 21 to the group financial statements.

At the date of this report, a total of 10 780 000 ordinary shares remain reserved for the purposes of the company's employee share plans.

### Share capital

The total issued share capital of the company for the period under review constitutes 136 730 964 (2018: 109 086 988) ordinary shares. The company has an authorised share capital of 200 000 000 (2018: 200 000 000) ordinary shares.

Further details regarding the authorised and issued share capital appear as note 21 to the group's financial statements.

### Directorate

#### APPOINTMENTS

During the period under review, Mr TR Ngara was appointed as an alternate director to Mr S Sithole on the company's board on 16 September 2019.

#### RESIGNATION

There were no resignations of directors of Sun International during the year under review.



## Directors' report continued

### RETIREMENTS

On 14 May 2019, Mr MV Moosa retired as a non-executive director from the board of Sun International and was succeeded by Mr JA Mabuza as the new Chairman of Sun International.

In addition thereto and in accordance with articles 25.5, 25.6.1 and 25.17 of the company's memorandum of incorporation, Messrs PD Bacon, PL Campher, VP Khanyile, JA Mabuza and S Sithole, as well as Dr NN Gwagwa and Ms ZP Zatu retired from the board at the annual general meeting held on 14 May 2019, but being eligible for election/re-election, were duly elected/re-elected to the company's board.

In terms of the Company's memorandum of incorporation, Messrs PD Bacon, PL Campher, EAMMG Cibie and TR Ngara, as well as Dr NN Gwagwa and Ms BLM Makgabo-Fiskerstrand are required to retire in accordance with the company's memorandum of incorporation at the upcoming annual general meeting to be held on 12 May 2020 and, being eligible, offer themselves for election/re-election, as the case may be.

Their profiles appear in the annual statutory report posted to shareholders on or about 31 March 2020 and which can be located on the company's website at <http://www.suninternational.com/investors>.

### Secretary

The secretary's business and postal addresses appear in the annual statutory report posted to shareholders on or about 31 March 2020 and which can be located on the company's website at <http://www.suninternational.com/investors>.

### Directors' interests

At 31 December 2019, the directors of the company held interests in 23 749 739 of the company's issued ordinary shares (31 December 2018: 19 933 167). Details of shares held per individual director and which includes restricted shares held through the various share schemes are listed below.

	Ordinary shares direct beneficial		Ordinary shares indirect beneficial
	Unrestricted	Restricted	Unrestricted
<b>31 December 2019</b>			
N Basthdaw	50 251	7 682	–
NN Gwagwa	–	–	88 019
AM Leeming	189 881	17 652	–
JA Mabuza	12 660	–	–
MV Moosa*	–	–	179 669
S Sithole (alt. TR Ngara)	–	–	23 203 925
<b>TOTAL</b>	<b>252 792</b>	<b>25 334</b>	<b>23 471 613</b>
<b>31 December 2018</b>			
N Basthdaw	29 173	28 760	–
NN Gwagwa	–	–	88 019
AM Leeming	179 692	35 791	–
JA Mabuza	12 660	–	–
DR Mokhobo^	64 900	12 841	–
MV Moosa	–	–	179 669
S Sithole	–	–	19 301 662
<b>TOTAL</b>	<b>286 425</b>	<b>77 392</b>	<b>19 569 350</b>

\* Retired as a non-executive director on 14 May 2019.

^ Resigned as an executive director on 5 September 2018.

On 31 December 2019, VCP acquired 66 476 Sun International ordinary shares, which only reflected in the register in January 2020. Save for this change, there were no other changes between the end of the financial year and date of approval of the annual financial statements.



## Directors' report continued

### Public and non-public shareholders (as at 31 December 2019)

Ordinary shares	Number of shareholders	%	Number of shares	%
<b>NON-PUBLIC SHAREHOLDERS</b>	<b>15</b>	<b>0.47</b>	<b>34 026 284</b>	<b>24.89</b>
Directors and associates of the company	6	0.19	23 749 739	17.37
Sun International Employee Share Trust and Plans*	8	0.25	3 556 786	2.60
Dinokana investments**	1	0.03	6 719 759	4.92
<b>PUBLIC SHAREHOLDERS</b>	<b>3 189</b>	<b>99.53</b>	<b>102 704 680</b>	<b>75.11</b>
<b>TOTALS</b>	<b>3 204</b>	<b>100.00</b>	<b>136 730 964</b>	<b>100.00</b>

\* The Sun International Employee Share Trust and Plans have been adjusted by deducting a portion of shares allocated to directors.

\*\* Dinokana Investments is a subsidiary of Sun International Limited and its holding of Sun International ordinary shares qualifies as treasury shares.

### Material shareholders

Beneficial shareholders (excluding directors) holding 5% or more of the company's listed ordinary shares as at 31 December 2019 were the following:

	Number of shares	%
Allan Gray	15 240 061	11.15
Value Capital Partners	14 690 674	10.74
PSG Konsult	14 025 957	10.26
Alexander Forbes Investments	7 825 663	5.72
Old Mutual	7 363 951	5.39

### Special resolutions

The company passed seventeen special resolutions during the period under review, which included the following:

- approving the acquisition by the company or any of its subsidiaries of the company's shares;
- approving the remuneration of the non-executive directors; and
- approving the provision of financial assistance to employee share scheme beneficiaries and related or inter-related companies and corporations.

Except for the above, no other special resolutions, the nature of which might be significant to shareholders in their appreciation of the state of affairs of the Sun International group, were passed by the company or its subsidiaries during the period covered by this directors' report.

### Corporate governance

During the period under review, the board endorsed and when applicable, applied the 16 Principles contained in King IV. The board has satisfied itself that throughout the period under review, Sun International has complied in all material aspects with King IV and the Listings Requirements of the JSE, as the case may be.

Sun International's compliance with paragraphs 3.84 and 8.63 (a) of the Listings Requirements of the JSE plus application of the Principles set out in King IV (as contained in a corporate governance register), appear on the company's website at: <http://www.suninternational.com/investors/governance/>

### Directors' emoluments

The individual directors' emoluments paid in respect of the financial period under review are contained in the audited financial statements in note 27.

### Repurchased equity securities

Neither Sun International nor any of its subsidiary companies repurchased any Sun International equity securities during the period covered by this directors' report.