

HPB HPA TSH 201511180006A

Hospitality/Tsogo - Update in respect of the proposed transaction between Tsogo and Hospitality

TSOGO SUN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
South Africa)

Registration number 1989/002108/06
2005/014211/06

Share code: TSH

ISIN: ZAE000156238

("Tsogo")

HOSPITALITY PROPERTY FUND LIMITED

(Incorporated in the Republic of

Registration number

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)

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