

Sun International Limited

(Incorporated in the Republic of South Africa)

(Registration number 1967/007528/06)

Share code: SUI & ISIN code: ZAE000097580

LEI: 378900835F180983C60

("Sun International" or the "Company")

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DECLARATION ANNOUNCEMENT AND TERMS OF THE SUN INTERNATIONAL PARTIALLY UNDERWRITTEN RENOUNCEABLE RIGHTS OFFER

1. Introduction

Sun International shareholders ("**Shareholders**") are referred to the results of the general meeting announcement released by Sun International on 13 July 2020 on the Stock Exchange News Service ("**SENS**") of JSE Limited ("**JSE**"), wherein Shareholders were advised that the necessary resolutions to implement a rights offer ("**Rights Offer**") had been obtained.

2. Salient terms of the Rights Offer

Sun International proposes raising an amount not exceeding R1.2 billion by way of a partially underwritten renounceable rights offer ("**Rights Offer**") of 127 174 696 Sun International shares ("**Rights Offer Shares**") at a price of R9.44 per Rights Offer Share, in the ratio of 93.01 Rights Offer Shares for every 100 existing Sun International ordinary shares ("**Shares**") held on the record date for the Rights Offer, being Friday, 24 July 2020.

The Rights Offer Issue Price of R9.44 per Rights Offer Share represents a 25% discount to the theoretical ex-rights price, based on the 30 trading day volume weighted average price of R15.51 at which Shares traded on the securities exchange operated by the JSE up to and including Monday, 13 July 2020, being the day preceding this declaration announcement.

Application will be made to the JSE for the listing of the letters of allocation in respect of the Rights Offer Shares ("**Letters of Allocation**") and the Rights Offer Shares on the securities exchange operated by the JSE as follows:

- Letters of Allocation will be listed from the commencement of business on Wednesday, 22 July 2020 to the close of business on Tuesday, 4 August 2020 under the JSE code: SUIN and ISIN: ZAE000288593; and
- the Rights Offer Shares will be listed with effect from the commencement of business on Wednesday, 5 August 2020.

The Rights Offer Shares will, upon allotment and issue, rank *pari passu* with all other Sun International Shares of the same class.

Shareholders will have the right to apply for any excess Rights Offer Shares not taken up by other Shareholders subject to such rights being transferable upon renunciation of the Letters of Allocation, and any such excess Rights Offer Shares available for allocation will be attributed equitably, taking cognisance of the number of Shares and rights held by the Shareholder just prior to such allocation, including those taken up as a result of the Rights Offer, and the number of excess Rights Offer Shares applied for by such Shareholder.

3. Rationale for the Rights Offer

Due to the anticipated challenges and uncertainty in the short- to medium-term and with Sun International and its subsidiaries ("**the Group**") having to deal with the effects of a sharp decline in economic activity and prolonged closure of its operations, the Board has deemed it prudent to embark on the Rights Offer, which will improve Sun

International's liquidity and strengthen its balance sheet. The proceeds of the Rights Offer will enable the Group to position itself for the resumption of full trading post the Covid-19 pandemic lockdown.

4. Shareholder support and underwriting

Sun International has obtained written indications of support from certain entities which are either the registered and beneficial owners of Sun International Shares, or holders of discretionary mandates as investment managers for clients which are beneficial owners of Sun International Shares, indicating that they intend to participate, or will attempt to procure that their clients participate, in the Rights Offer for approximately 96 566 526 Rights Offer Shares, representing approximately R911.2 million of the aggregate Rights Offer proceeds.

Furthermore, to provide the Company and Shareholders with certainty regarding the successful implementation of the Rights Offer, the Company has entered into an underwriting agreement with Value Capital Partners Proprietary Limited and Steyn Capital Management Proprietary Limited in terms of which they separately and respectively undertake to partially underwrite the Rights Offer up to a maximum aggregate amount of R360 million.

Further details of the underwriting agreement and Shareholder support will be set out in the Rights Offer circular.

5. Entitlement

The allocation of Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share and as such any entitlement to receive a fraction of a Rights Offer Share which:

- is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; and
- is equal to or greater than one-half of a Rights Offer Share but less than a whole Rights Offer Share, will be rounded up to the nearest whole number.

6. Conditions precedent

The implementation of the Rights Offer is subject to the JSE granting a listing for the Letters of Allocation and the Rights Offer Shares on the securities exchange operated by the JSE in respect of the Rights Offer.

7. Foreign shareholders

Foreign Shareholders may be affected by the prevailing laws in their relevant jurisdictions in relation to the Rights Offer. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this announcement that may affect them, including the Rights Offer. It is the responsibility of each foreign Shareholder to satisfy itself as to the full observation of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange or other consents or the making of any filing which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The Rights Offer is governed by the law of South Africa and is subject to applicable laws and regulations, including South African exchange control regulations.

8. Salient dates and times

The proposed salient dates and times in respect of the Rights Offer are set out below:

	2020
Declaration date announcement released on SENS on	Tuesday, 14 July
Finalisation date announcement released on SENS, by 11:00 on	Thursday, 16 July
Publication of the Rights Offer Circular on the website of Sun International	Monday, 20 July
Last day to trade in Sun International Shares in order to participate in the Rights Offer	Tuesday, 21 July
Listing and trading of Letters of Allocation on the JSE under JSE code: SUIN and ISIN: ZAE000288593 commences at 09:00 on	Wednesday, 22 July
Sun International Shares commence trading on the JSE ex-Rights Offer entitlement	Wednesday, 22 July
Rights Offer Circular and Form of Instruction distributed to Certificated Shareholders	Thursday, 23 July
Record Date for determination of Shareholders entitled to participate in the Rights Offer (Initial Record Date)	Friday, 24 July
Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their Letters of Allocation at 09:00 on	Monday, 27 July
Certificated Shareholders on the Register will have their Letters of Allocation credited to their accounts held with the Transfer Secretaries at 09:00 on	Monday, 27 July
Rights Offer opens at 09:00 on	Monday, 27 July
Rights Offer Circular distributed to those Dematerialised Shareholders who have elected to receive documents in hard copy	Tuesday, 28 July
Last day to trade Letters of Allocation on the JSE	Tuesday, 4 August
Certificated shareholders, wishing to sell all or some of their Letters of Allocation, Forms of Instruction to be lodged with the Transfer Secretaries by 12:00 on	Tuesday, 4 August
Rights Offer Shares listed and trading therein commences on the JSE	Wednesday, 5 August
Certificated shareholders wishing to exercise all or some of their Rights, payment to be made and Forms of Instruction to be lodged with the Transfer Secretaries by 12:00 on	Friday, 7 August
Rights Offer closes at 12:00 on	Friday, 7 August
Record Date for Letters of Allocation (Final Record Date)	Friday, 7 August
Rights Offer Shares issued	Tuesday, 11 August
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of payment for Rights Offer Shares) at 09:00 on	Tuesday, 11 August
Certificates distributed to Certificated Shareholders (in respect of the Rights Offer Shares)	Tuesday, 11 August
Results of Rights Offer announced on SENS	Tuesday, 11 August
Refund payments (if any) to Certificated Shareholders in respect of unsuccessful excess applications made	Thursday, 13 August
Dematerialised Shareholders' accounts updated and debited by their CSDP or Broker (in respect of successful excess applications)	Thursday, 13 August
Certificates distributed to Certificated Shareholders (in respect of successful excess applications)	Thursday, 13 August

1. All references to dates and times are to local dates and times in South Africa.
2. Any amendments to the above dates and times will be announced on SENS.
3. Dematerialised Shareholders are required to inform their CSDP or Broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and their CSDP or Broker.
4. Share certificates may not be dematerialised or rematerialised between Wednesday, 22 July 2020 and Friday, 24 July 2020, both days inclusive.
5. Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their rights and Certificated Shareholders will have their rights credited to their accounts at the Transfer Secretaries.

9. Finalisation announcement

It is anticipated that the finalisation announcement for the Rights Offer will be released on SENS on Thursday, 16 July 2020.

10. Rights Offer Circular

Further details of the Rights Offer will be set out in the Rights Offer circular which is expected to be distributed to certificated Shareholders on Thursday, 23 July 2020 and to dematerialised Shareholders on Tuesday, 28 July 2020. The Rights Offer circular will be made available on the Company's website www.suninternational.com/investors from Monday, 20 July 2020.

Johannesburg
14 July 2020

Financial Advisor and Sponsor

Investec Bank Limited

South African Legal Advisor

Cliffe Dekker Hofmeyr Incorporated

International Legal Advisor

Cravath, Swaine & Moore LLP (as to US law)

Underwriters

Value Capital Partners Proprietary Limited
Steyn Capital Management Proprietary Limited

Legal Advisor to the Underwriters

DLA Piper Advisory Services Proprietary Limited

Disclaimer

The Letters of Allocation and the Rights Offer Shares will not be registered with the United States Securities and Exchange Commission ("**SEC**") under the United States Securities Act of 1933, as amended, ("**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and other securities laws of the United States. There will be no public offer of the Letters of Allocation or the Rights Offer Shares in the United States. Neither the SEC nor any United States federal or state securities commission has registered, approved or disapproved the Letters of Allocation, the Rights Offer Shares or the Rights Offer circular or passed comment or opinion upon the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

In member states of the European Economic Area ("**EEA**") and the United Kingdom (each, a "**Relevant State**"), this announcement and any offer if made subsequently is directed exclusively at persons who are 'qualified investors' within the meaning of the Prospectus Regulation. For these purposes, the expression 'Prospectus Regulation' means Regulation (EU) 2017/1129.

In the United Kingdom this announcement is only being distributed and communicated to and any investment or investment activity to which this announcement relates is available only to, and will be engaged in only with, Qualified Investors (i) having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, (all such persons together being referred to as "**Relevant Persons**"). Persons who are not Relevant Persons should not take any action on the basis of this announcement and should not act or rely on it.