been incorporated in the Boardwalk hotel and is designed in accordance with global standards. It provides an array of conferencing and exhibitions opportunities and can cater for a variety of simultaneous functions.

With a variety of sliding dividing walls, the convention space can be converted into separate function and breakaway rooms. Access is gained to the pre-assembly area either by way of the Hotel Lobby or the escalator from the Boardwalk Mall. The opportunity also exists to spread out onto the generously proportioned terrace in front of the Convention Centre, weather permitting. The public restrooms cater for maximum capacity.

Family facilities

Being a family-orientated property, The **Applicant** offers a creche facility for children aged between 2 and 12 years of age. For teenagers, there is Jozi Karts and a Sun Gamers Room inside the hotel and Breakout Quest in the mall. Magic Company is also available in the mall for the whole family to enjoy.

4.4 BOARDWALK PRECINCT

The **Applicant's** property is part of the Boardwalk Precinct through a sectional title scheme, The precinct consists of the **Boardwalk** casino and hotel, the **Boardwalk** Mall and the Capital Hotel.

4.4.1. The Boardwalk Mall

The Boardwalk Mall measuring [redacted] with an array of food and retail offerings. The mall is currently valued at [redacted] The mall directly and indirectly has created employment for [redacted] individuals, with [redacted] being from Eastern Cape. The **Applicant** was a catalyst for development of this mall.

The mall, which has an average footfall of [redacted] per month, has 97 retailers and is targeted at a [redacted] group of visitors. With 3 anchor tenants, being Woolworths, Checkers and Pick 'n Pay, the mall also offers national brands such as Dischem, Clicks, Studio 88, @Home, Pick 'n Pay Clothing, Total Sports, Ackermans, Sportscene, Sidestep, Exact, Legit, Bogart, SpecSavers and Execuspecs.

In addition to this, the mall houses all the major banking institutions such as Standard Bank, First National Bank, Capitec, ABSA, Nedbank, African Bank and Old Mutual. In terms of restaurant offerings, the Mall offers brands such as Spur, Steers, Wimpy, Fishaways, Debonairs, Panarottis, Foo Jiu Sushi, Bem Vindo, Hello Beach and John Dory's.

The launch and continued development of the **Boardwalk** Mall has significantly re-energized the precinct surrounding the **Applicant's** casino. The area has evolved into the premier entertainment hub for Gqeberha and the greater Nelson Mandela Bay region. This transformation is not limited to gaming activities; the precinct now offers a vibrant mix of non-gaming attractions, retail experiences, and leisure activities, all amplified by the mall's open-park design and integrated entertainment offerings.

The synergy between the casino and the mall has created a compelling destination that appeals to a broader demographic, enhancing footfall, stay time, and overall customer engagement. This has positioned the precinct as a multi-purpose entertainment zone, driving both economic activity and brand visibility.

The **Boardwalk** Mall has seen considerable growth in the past 2 years and plans to expand in 2026. This expansion will see Boardwalk Mall investing [redacted] in the creation of new shops such as Mr Price Clothing and Home; and Cape Union Mart to name a few.

4.4.2 Capital Hotel

The development of the Mall by the **Applicant** and its partners continue to generate investment interest into the precinct. [redacted] has invested [redacted] in building a [redacted] hotel on the **Boardwalk Mall's** property, with construction scheduled to be completed in March 2026.

The Hotel will have various room types including a Penthouse with and an Outdoor Pool. [redacted] will build a state-of-the-art hotel with fresh modern finishes to add to the **Applicant's** Hotel offering within the precinct. The four-story building will position the **Boardwalk** precinct as the major hospitality and entertainment complex of Gqeberha and Nelson Mandela Bay.

This investment will attract corporates and groups who wants to conduct conferencing and business around Nelson Mandela Bay. The Hotel will have a 200-seater conferencing facility and 2 meeting rooms which will complement the current the **Applicant**'s hotel and Convention Center facility.

The [redacted] Gqeberha will also build a restaurant to service its hotel and conferencing guests with a dedicated kitchen.

The **Applicant** will benefit from the development of the [redacted] through guest visitation to the casino and retail outlets. This magnificent development will boost the economy of the city and strengthen job sustainability for the precinct and improve the beachfront attraction.

Summary of benefits from the new hotel:

- [redacted] jobs to be created during construction
- [redacted] permanent jobs post construction
- [redacted] Capex to be spent by Capital Hotel in the development
- [redacted] projected visitors to the hotel through guest visitation to the Casino and retail outlets.

4.5 IMPACT ON THE SURROUNDING ENVIRONMENT AND SOCIETY

Over the past and current licence period, the **Applicant** has taken positive steps to mitigate

any negative social effects that could have resulted from its urban positioning. There has been no negative impact on its immediate surrounds and the property has been regarded as a safe environment, and it intends to maintain this status quo.

The following safety measures have been implemented:

- 24-hour access control into the casino premises
- Persons under the age of 18 years not allowed into the casino
- Surrounding mall and retail area is a safe secure area for visitors
- Promotions are planned to limit traffic congestion.
- Participation on beachfront safety forums and initiatives,

The **Applicant's** management will continue to engage proactively with its precinct partners, neighbours and law enforcement to ensure a safe and secure precinct for all visitors and residents.

4.6 RESPONSIBLE GAMBLING

The social impacts of gambling are addressed by the **Applicant's** commitment and adherence to comply with all prescribed requirements to promote responsible gambling and contributes towards the South African Responsible Gambling Foundation ("SARGF").

The **Applicant** supports the SARGF's National Responsible Gambling Programme (NRGP) and has implemented its own responsible gambling programme which is governed by a Responsible Gambling Policy, which will continue to be managed by an internal Responsible Gambling Committee that meets regularly. This policy and the responsible gambling programme bind the **Applicant** to a set of protocols that results in practical expression to Emfuleni's commitment to making responsible gambling an integral part of our daily operations.

See ***Annexure 27*** for a copy of the **Applicant's** Responsible Gambling Policy.

SECTION 5

Project Viability and Financial Returns

5

Project Viability and Financial Returns

The Applicant's casino has operated for several years as a key contributor to the Eastern Cape's entertainment and tourism sector

The **Applicant** is now strategically positioned to realize the full potential of its integrated casino, hotel, spa, retail, and recreation precinct. This strategic positioning is expected to unlock significant value for shareholders, employees, and both provincial and national government.

The capital invested in the Applicant to date is represented by the current replacement cost of the existing hotel and casino infrastructure, valued at [redacted]

In line with the feasibility assumptions detailed in the accompanying main detailed Proposal, the **Applicant** is confident in the long-term sustainability of the casino's operations throughout the tenure of the new licence.

5.1 CAPITAL INVESTMENT

The capital invested in the **Applicant** to date is represented by the current replacement cost of the existing hotel and casino infrastructure, valued at [redacted]. This valuation encompasses buildings, furniture, fittings, and equipment.

The total asset valuation of [redacted] was independently determined by MLC Construction Cost Consultants, registered professional Quantity Surveyors, and is broken down as follows:

Capital Investment	Rm's
Hotel Complex	[redacted]
Casino	[redacted]
Movables	[redacted]
The Applicant's Total Valuation	[redacted]

See ***Annexure 22*** for the **Applicant's** hotel and casino Valuation Report.

5.2 FINANCIAL PROJECTIONS AND ASSUMPTIONS

Description	Year 1-10	Year 11-20	Total
	Rm's	Rm's	Rm's
Revenue	[redacted]	[redacted]	[redacted]
Expenses	[redacted]	[redacted]	[redacted]
Net profit before depreciation & interest	[redacted]	[redacted]	[redacted]
Depreciation	[redacted]	[redacted]	[redacted]
Interest	[redacted]	[redacted]	[redacted]
Net profit before tax	[redacted]	[redacted]	[redacted]
Tax	[redacted]	[redacted]	[redacted]
Net profit after tax	[redacted]	[redacted]	[redacted]
Dividends	[redacted]	[redacted]	[redacted]
Retained income	[redacted]	[redacted]	[redacted]

5.3 FUNDING

5.3.1 Capital

There is currently no requirement for capital funding. The **Applicant** is fully prepared to initiate operations immediately upon licence award, supported by an established operational infrastructure and a proactive approach to ongoing maintenance and asset replacement.

5.3.2 Loans

At the beginning of the casino licence period, the **Applicant** will have a loan with Sun Treasury of approximate [redacted]. This loan will be serviced by repayments from the Applicant's casino operating cashflows. It is expected that the loan will be repaid within the [redacted] of the new licence. The Sun Treasury loan is governed by an agreement between SISA and the **Applicant** interest is charged at SISA's cost of funding plus [redacted]

See ***Annexure 23*** for Emfuleni Sun Treasury Loan Agreement.

5.4 PDI SHAREHOLDERS DEBT

5.4.1 Zonwabise

Zonwabise has acquired [redacted] in the applicant. The acquisition was financed by a loan of [redacted] from Sun Treasury. Interest on the loan is charged at [redacted]. The loan is repayable over [redacted] (Refer to ***Annexure 24*** - loan to Zonwabise).
See ***Annexure 24*** for Zonwabise Sun Treasury Loan Agreement.

5.4.2 MIKS

SISA has sold [redacted] of its shares in the **Applicant** to MIKS Group for [redacted] The acquisition will be funded through a SISA funded loan of [redacted] repayable in [redacted] of the implementation of sale and accruing interest at [redacted] See ***Annexure 25*** for MIKS Sun Treasury Loan Agreement.

5.4.3 APG

APG unbundled from Zonwabise and aquired [redacted] direct shareholding in Emfuleni. The acquisition was financed by a loan of [redacted] from Sun Treasury. Interest on the loan is charged at [redacted] The loan is repayable over a period of [redacted]
Refer to ***Annexure 26*** - loan to APG.

5.5 RETURNS TO GOVERNMENT OVER THE NEW LICENCE PERIOD

Looking ahead, with streamlined operations at the **Boardwalk** hotel and casino, the **Applicant** estimates the following returns to Local, Provincial and National Government, by way of taxes, levies and fees over the 20-year period of the new licence.

Revenues to government - Direct	Year 1 - 10	Year 11 - 20	Total
	Rm's	Rm's	Rm's
Casino Gaming Tax	[redacted]	[redacted]	[redacted]
Annual Casino Licence Fee	[redacted]	[redacted]	[redacted]
Total Direct Provincial Revenue	[redacted]	[redacted]	[redacted]
Company Tax	[redacted]	[redacted]	[redacted]
Value - Added Tax	[redacted]	[redacted]	[redacted]
Municipal Tax	[redacted]	[redacted]	[redacted]
Employer Payroll Tax	[redacted]	[redacted]	[redacted]
Total Direct Revenue to Government	[redacted]	[redacted]	[redacted]

5.6 RETURNS TO SHAREHOLDERS

Over the new 20-year licence period, it is expected that dividends of [redacted] will accrue to the **Applicant's** shareholders. This is always subject to the Applicant's trading and ongoing solvency and liquidity tests as required in terms of section 46 of the Companies Act.

In addition, the shareholders will receive management fees of [redacted] over the license period. Total projected cashflows for local PDI shareholders is forecasted at [redacted] over the tenure of the licence.

Split of dividends per shareholder

Shareholders (BEE shareholders only)		Total Dividends Yr 1-10	Total Dividends Yr 11-20	Total dividends per shareholder Yr 1 - Yr 20
		Rm's	Rm's	Rm's
SISA	[redacted]	[redacted]	[redacted]	[redacted]
APG	[redacted]	[redacted]	[redacted]	[redacted]
Zonwabise	[redacted]	[redacted]	[redacted]	[redacted]
MIKS	[redacted]	[redacted]	[redacted]	[redacted]
SIEST	[redacted]	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]	[redacted]

Dividends accruing directly to B-BBEE shareholders.

Shareholders	Total shareholder dividends	Effective BEE shareholding	Total BEE dividends	Local BEE dividends
	Rm's		Rm's	Rm's
SISA	[redacted]	[redacted]	[redacted]	[redacted]
APG	[redacted]	[redacted]	[redacted]	[redacted]
Zonwabise	[redacted]	[redacted]	[redacted]	[redacted]
MIKS	[redacted]	[redacted]	[redacted]	[redacted]
SIEST	[redacted]	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]	[redacted]

Management Fees

Shareholders	Year 1 - 10	Year 11 - 20	Total
SISA	[redacted]	[redacted]	[redacted]
APG	[redacted]	[redacted]	[redacted]
Zonwabise	[redacted]	[redacted]	[redacted]
MIKS	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]

Management fees plus Dividends accruing directly to local B-BBEE shareholders.

Shareholders (BEE shareholders only)	Total shareholder dividends	Management fee	Total
	Rm's		Rm's
APG	[redacted]	[redacted]	[redacted]
Zonwabise	[redacted]	[redacted]	[redacted]
MIKS	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]

Value of investment per shareholder

Shareholders	Asset replacement value	PDI loans	Net asset value
	Rm	Rm	Rm
SISA	[redacted]	[redacted]	[redacted]
APG	[redacted]	[redacted]	[redacted]
Zonwabise	[redacted]	[redacted]	[redacted]
MIKS	[redacted]	[redacted]	[redacted]
SIEST	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]

SECTION 6

Benefits to the Economy

6

Benefits to the Economy

6.1 CONTRIBUTION TO ECONOMIC EMPOWERMENT

The **Applicant** has been a pioneer of meaningful B-BBEE in the Province and will continue to strive to be a [redacted] B-BBEE contributor in terms of the current Codes.

See ***Annexure 5*** for the Applicant's B-BBEE Certificate.

The **Applicant's** existing and proposed empowerment credentials should be viewed against the seven pillars of B-BBEE articulated in the Codes, as set out below:

6.1.1 OWNERSHIP AND REWARDS

The **Applicant's** commitment to meaningful economic empowerment is demonstrated through proposed effective B-BBEE shareholding, illustrated in the following table:

Summary of the Applicant's B-BBEE credentials

Applicant Credentials	%	*EMR
B-BBEE component of Applicant	[redacted]	[redacted]
Local B-BBEE component of Applicant	[redacted]	[redacted]
Designated groups of Applicant	[redacted]	[redacted]
Local Women	[redacted]	[redacted]

The detailed breakdown of B-BBEE shareholding is on page 23 in section 2 of this document.

The local BEE shareholders will receive

- management fees of [redacted] over the license period.
- dividends of [redacted] over the license period.

Total projected cashflows for local PDI shareholders is forecasted at [redacted] over the tenure of the licence. This represents a [redacted] return on investment on the capital value of the investment

6.1.2 MANAGEMENT CONTROL

The **Applicant's** Board, supported by its Transformation and Finance Review Committees, will ensure that local PDI shareholders are actively and meaningfully involved in the governance, strategic oversight, and control of both the property and the business.

In alignment with the RFP's objectives, the **Applicant** will promote inclusive economic participation through employment equity focused on local communities, preferential procurement from PDIs within the Eastern Cape Province, and the implementation of E&SD programmes. These initiatives, coupled with targeted skills development, will create tangible employment and supplier opportunities for B-BBEE partners and the community at large.

The **Applicant** is committed to accelerating transformation within its workforce, with a renewed emphasis on diversifying its Executive and Senior Management teams. Employment equity targets are informed by the demographic profile of the economically active population in the Province and aligned with the guidelines set out in the Codes. This approach ensures continued transformation of the **Applicant's** leadership and maintains a strong focus on the inclusion of women and persons with disabilities.

6.1.3 EMPLOYMENT EQUITY

The **Applicant** has considered market changes in the industry and will directly employ up to [redacted] employees. In addition, up to [redacted] employees will be indirectly employed in the hospitality sector.

About [redacted] of the **Applicant's** workforce is between the ages of 18 and 35. The **Applicant** is a catalyst for creation of approximately [redacted] jobs which include its service providers and Mall employees.

The **Applicant's** Board and Employment Equity committee will monitor employment.

Direct employment

	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10 to Yr20
#EEs from the Licence Area and Province	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
#EEs from other Provinces	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total Headcount - Gaming	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

- [redacted] are from Licensed area and other areas of the Eastern Cape Province;
- [redacted] from other Province

6.1.4 SKILLS DEVELOPMENT

The **Applicant** remains committed to fostering a culture of continuous learning and development across its workforce. Recognizing that its success is intrinsically linked to the growth of its employees, the **Applicant** pledges to provide a supportive environment where every individual has access to meaningful learning opportunities, resources, and tools to enhance their skills and knowledge.

To ensure its workforce remains competitive and informed, the **Applicant** will actively invest in training and development programmes that align with industry trends and best practices. These initiatives are designed to empower employees to excel in their current roles and to pursue their long-term career aspirations.

The **Applicant** values feedback from its employees and will use it to continuously improve its learning and development initiatives. A collaborative culture will be cultivated—one that encourages the sharing of knowledge and expertise across all levels of the organization.

The following individual training courses and facilities will be offered:

- Training courses will vary according to employees' development needs;
- Performance Management System will be used to inform relevant training programs;
- Courses to be offered will range from technical training (electrical, plumbing, etc.), computer training, management training, soft skills training, learnership for both the employed and unemployed, training aimed at obtaining formal qualifications (tertiary), and directors training;
- Regulatory compliance training to align with gaming board requirements and other regulatory bodies will continue to be offered during the new licence period. Compliance training includes responsible gambling, money laundering, FICA, etc.

The **Applicant's** casino will have adequate training facilities and is committed to developing further training facilities on-site should the need arise.

Career and succession planning strategies

The **Applicant** is committed to offering employees a variety of structured career paths, supported by targeted training and development programmes. These pathways will span from entry-level roles to executive management, enabling employees to progress through successively senior positions within hospitality, gaming, and support functions such as marketing, finance, and human resources.

Career development will begin with the careful selection of candidates and a comprehensive induction process, followed by ongoing training and development tailored to individual growth. The **Applicant** will ensure that development candidates align with the Employment Equity profile, reinforcing its commitment to transformation and inclusivity.

To further support career progression, the **Applicant** will provide bursaries and study assistance to employees, empowering them to pursue formal education and professional qualifications aligned with their career goals

6.1.5 PREFERENTIAL PROCUREMENT

The **Applicant** is committed to meeting and exceeding Preferential Procurement targets in terms of the requirements of the B-BBEE Codes and will adhere to:

[redacted] spend with local business
[redacted] with local PDI business
[redacted] spend with local SMME's
[redacted] spend with Level-1 contributors over 10 years

6.1.6 ENTERPRISE AND SUPPLIER DEVELOPMENT

The **Applicant** is committed to developing and implementing meaningful Enterprise and Supplier Development (E&SD) programmes to drive inclusive economic participation. As part of its transformation strategy, the **Applicant** will ensure that at least [redacted] of its goods and services procurement budget is spend to B-BBEE Level 1 contributors throughout the tenure of the licence.

The **Applicant** remains committed to implementing a comprehensive Enterprise and Supplier Development (E&SD) strategy, supported by a dedicated budget for initiatives that foster growth and sustainability. These programmes will focus on building capacity, improving competitiveness, and creating long-term opportunities for qualifying suppliers and enterprises, with particular emphasis on those located in the Eastern Cape Province.

6.1.7 SOCIO-ECONOMIC DEVELOPMENT

The **Applicant** looks forward to not only preserving what has been built over decades in terms of structural facilities and related socio-economic initiatives but is committed to augmenting these and substantially increasing their capacity to generate broad-based and sustainable benefits to the people of Nelson Mandela Bay and the Eastern Cape Province as a whole.