

## **Hosken Consolidated Investments Limited**

### **Background**

Hosken Consolidated Investments Limited (HCI) is a leading broad based black empowerment company listed on the JSE Securities Exchange with a market capitalisation in excess of R3 billion.

It is presently controlled by the South African Clothing and Textile Workers Union ("SACTWU") the members of which comprise some 113 000 clothing and textile workers.

In an effort to overcome chronic funding shortages SACTWU formed an investment arm in 1993, with a vision of building up a sizable capital base that would free it from depending on donations to fund its social responsibility programmes. In 1997, the investment arms of SACTWU and the National Union of Mineworkers ("NUM") acquired control of HCI by reversing a number of their investments into HCI. In 2001, SACTWU took control of HCI.

HCI's most significant shareholder is the South African Union ("SACTWU") which holds, through its investment trust, 42.14% of HCI. SACTWU together with other previously disadvantaged individuals currently hold some 53% of the share capital of HCI. The beneficiaries of the SACTWU investment trust are the SACTWU members and their dependents. Although SACTWU has 112 608 members the beneficiaries of the SACTWU trust include the dependents of the members.

### **Board of Directors**

- Marcel Golding (Executive Chairman);
- John Copelyn (Chief Executive Office);
- Elias Mphande (Executive Director);
- Freddie Magugu (Non Executive);
- Virginia Engel (Non Executive);
- Amon Ntuli (Non Executive);
- Jabu Ngcobo (Non Executive)

### **HCI's Investments**

HCI's investments are spread over a variety of industries. Some of its more significant investments include:

#### *Media and entertainment*

- E-tv;
- TBM;
- Yfm; and
- Cape Talk

#### *Gaming*

- Tsogo Sun;

- Vukani

#### *Industrial/Other*

- Golden Arrow Bus Services;
- Johnson Crane Hire;
- Johnson Access;
- Tylon;
- Formex Industries;
- Syntell (Pty) Ltd

#### *Property*

- IPS property;
- I-Prop;
- IGI

#### *Information Technology*

- IG Business Group;
- BSG;
- Limtech

#### *Financial Services*

- Mettle;
- AIC;
- Noah Financial Innovation

#### *Food and Beverage*

- Clover Industries Limited

### **Social Investment**

HCI's social responsibility initiatives are largely directed via the HCI Foundation and the SACTWU Welfare Trust.

#### **The HCI Foundation**

The HCI Foundation ("the Foundation") was formed this year effectively by merging the Golden Arrow Foundation ("GAF") with donations from Marcel Golding and Johnny Copelyn. Formed out of the bequest of the former owners of the Golden Arrow Bus Services Company, GAF was focused on the Cape Metropolitan Area prior to the acquisition of Golden Arrow Bus Services by HCI. The additional funds acquired through the merger have enabled the new Foundation to have a national beneficiary base. The Foundation currently has assets in excess of R260 million.

The Foundation represents a continuation of HCI's social responsibility programme and is separate from those of its assets.

The Foundation is a grassroots, community based initiative and its key focus areas are Education, Health and Disabled/ Vulnerable communities.

**The SACTWU Welfare Programme**

The SACTWU welfare trust is funded by the SACTWU Investment Group ("SIG"), HCI's most significant shareholder. SIG was formed in 1989 for the benefit of all textile, clothing and leather workers in Southern Africa.

In an effort to overcome chronic funding shortages, the union formed an investment arm in 1993, with a vision of building up a sizable capital base that would free it from depending on donations to fund its social responsibility programmes. It was from this initiative that HCI was born and to this day HCI remains a significant contributor to the SACTWU trust. A large portion of investment income is allocated to the SACTWU Welfare Trust to provide the social benefits to SACTWU members. The Trust funds the SACTWU Welfare Programme. Over the last six years, some R20 million of funding per annum has been provided to the Trust. The distributed funds are spent judiciously on a wide range of projects and initiatives that make a significant impact on the lives of workers and their families.

HCI is one of the few companies on the JSE where broadly based black empowerment shareholders with substantial social responsibility initiatives have a major economic interest. HCI believes it is critical to support all initiatives that contribute to strengthening economic entrepreneurship in the black community and that empower individuals and organisations. However, individual needs and aspirations will always be balanced with the broader socio-economic imperatives of the South African society

The key projects of the programme involve education and health.

To date, SACTWU members have obtained over R100 million in housing loans through the scheme.