



**Phumelela Gaming and Leisure Limited
(in Business Rescue)**

Turffontein Racecourse
14 Turf Club Street, Turffontein, 2190
P O Box 82625, Southdale, 2135
Gauteng, South Africa
Tel: (+2711) 681-1500
Fax: (+2711) 681-1895

e-mail: phumelela@phumelela.com
registration number 1997/016610/06

Notice to affected persons

24 December 2021

**REPORT IN TERMS OF SECTION 132(3)(a) and (b) OF THE COMPANIES ACT 71 OF 2008 (AS AMENDED)
('the Act')**

**PHUMELELA GAMING AND LEISURE LIMITED (IN BUSINESS RESCUE) (REGISTRATION NUMBER
1997/016610/06) ('the Company')**

Dear Sir/Madam,

1. I refer to my previous status reports issued in respect of the business rescue of the Company.
2. The BRP continues to implement the business rescue plan, by, *inter alia*:
 - 2.1. trading the business of the Company and that of its subsidiaries;
 - 2.2. adjudicating the claims of creditors;
 - 2.3. resolving the claims that have been rejected by way of the dispute resolution proceedings as provided for in the Plan;
 - 2.4. implementing sale transactions already concluded;
 - 2.5. meeting the management, attending board meetings and shareholder meetings of subsidiaries and investee companies;
 - 2.6. preparing for and attending to the dispute resolution process to resolve Gold Circle's alleged claim that it owns 39% of the issued share capital of Phumelela Gold International Limited("PGI");
 - 2.7. paying distributions to creditors from the Plan Fund as more fully set out below;
 - 2.8. attending to the finalisation of litigation which was ongoing at the commencement date.
3. Sale of Horse Racing Business
 - 3.1. The Sale of Business transaction was conditional, inter alia, on approval being received from the Gambling Boards in the relevant provinces to grant licences to 4Racing. These approvals have been received in all provinces except the North West Province and the Northern Cape.

- 3.2. The Sale of Business Agreement has been implemented, effective 1 December 2021, in the provinces that have approved the granting of licences to 4Racing.
- 3.3. The implementation of the Sale of Business in the North West Province and Northern Cape will be implemented as soon as the requisite approvals are received.
4. Gold Circle Claim / Dispute Resolution
 - 4.1. Gold Circle's monetary claim and claim to own 39% of the issued share capital of PGI have been rejected and will be resolved in terms of the Dispute Resolution Process, as amended, in the Business Rescue Plan.
 - 4.2. The hearing will start on Wednesday, 6 April 2022 and run for 7 days ending on 14 April 2022. Final arguments are set to be heard on 9 & 10 May 2022.
 - 4.3. The decision/ruling of the nominated retired Judge is, pursuant to the terms of the Dispute Resolution Process, subject to appeal to an appeal bench of three retired Judges.
5. Distributions to creditors
 - 5.1. Distributions have been and will in future be paid to creditors in accordance with the provisions of the business rescue plan.
 - 5.2. Creditors have to date been paid the following amounts:
 - 5.2.1. Secured Creditors – R347.2 million
 - 5.2.2. PCF Creditors – R164.4 million
 - 5.2.3. Unsecured Creditors – R221.3 million
 - 5.3. The above mentioned distributions represent a distribution of 100 cents in the rand to unsecured creditors whose claims have been adjudicated and accepted.
 - 5.4. Equalisation distributions, of 100 cents in the rand, will be paid to those creditors whose claims are subsequently reconciled, adjudicated and accepted. These equalisation dividends are paid regularly.
6. Shareholders
 - 6.1. The rights of shareholders were not altered in the business rescue plan. As such shareholders remain entitled, once all assets of the Company have been realised and all creditors paid, to share in the surplus if the affairs of the company are wound up.
 - 6.2. The annual financial statements for the financial year-ending 31 July 2021 have been approved by the Phumelela board of directors and are available for download from the company's website www.phumelela.com or [Phumelela 2021 Annual Financial Statements](#).
 - 6.3. Shareholders are advised to review the annual financial statements for the period ended 31 July 2021 for guidance in respect of the value that may exist in their shareholding.
 - 6.4. Shareholders are referred to the notice published on 14 December 2021. If you did not receive a copy of the notice it is available on the Company's website [Shareholder Notice 14](#)

[Dec 2021](#) and [Computershare Letter](#). Shareholders are asked therein to please update their contact, FICA and banking details via Computershare who have been engaged to manage this process for the Company.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JE', with a long horizontal flourish extending to the right.

JOHN EVANS

Duly signed in his capacity as business rescue practitioner of the Company.