



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

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registration number 1997/016610/06

Notice to affected persons

30 July 2021

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

Dear Sir/Madam,

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

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

1. I refer to my previous status reports issued in respect of the business rescue of the Company.
2. Amendment of the Business Rescue Plan
 - 2.1. Notice to Amend the business rescue plan was published to affected persons on 23 June 2021. As no objections to the proposed amendments were received within the prescribed period of 14 days, those amendments are now effective.
3. The BRP continues to implement the business rescue plan, by, *inter alia*:
 - 3.1. trading the business of the Company and that of its subsidiaries;
 - 3.2. adjudicating the claims of creditors. This process is ongoing;
 - 3.3. resolving the claims that have been rejected by way of the dispute resolution proceedings as provided for in the Plan;
 - 3.4. implementing sale transactions already concluded;
 - 3.5. engaging with parties who have expressed an interest in acquiring assets of the Company;
 - 3.6. meeting the management, attending board meetings and shareholder meetings of subsidiaries and investee companies;

- 3.7. 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");
- 3.8. paying distributions to creditors from the Plan Fund as more fully set out below;
- 3.9. attending to the finalisation of litigation which was ongoing at the commencement date.
4. Sale of Arlington racecourse
 - 4.1. The documents transferring the property to the successful bidder have been lodged. Transfer is anticipated in August 2021.
5. Gold Circle Claim / Dispute Resolution
 - 5.1. 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.
 - 5.2. The parties have exchanged pleadings are attending to discovery of documents and preparation of witness statements.
 - 5.3. The hearing is to take place over the period 11 to 15 October 2021. Hopefully it completes during this period. If it does not further dates will be agreed between the parties and the arbitrator all with a view to finalising the hearing without delays.
 - 5.4. 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.
6. Creditor Claims
 - 6.1. Creditors were required to submit their claims against the Company by 30 November 2020. Late Claims submitted may be considered in accordance with the terms of the Business Rescue Plan.
 - 6.2. Creditors whose claims have already been reconciled, adjudicated and accepted will, if not already notified, receive formal notice of acceptance of their claim.
 - 6.3. Certain claims will be rejected. All rejected claims have to be resolved in accordance with the provisions governing the dispute resolution process as set out in the business rescue plan.
 - 6.4. Distributions will only be paid to those creditors whose claims have been submitted, reconciled, adjudicated and accepted.
7. Distributions to creditors
 - 7.1. Distributions have been and will in future be paid to creditors in accordance with the provisions of the business rescue plan.
 - 7.2. Creditors have to date been paid the following amounts:
 - 7.2.1. Secured Creditors – R347.2 million

7.2.2.PCF Creditors – R164.4 million

7.2.3.Unsecured Creditors – R219.8 million

7.3. The above mentioned distributions represent a distribution of 100 cents in the rand to unsecured creditors whose claims have been adjudicated and accepted.

7.4. 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.

8. Shareholders

8.1. 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.

8.2. Shareholders are advised to review the annual financial statements for the period ended 31 July 2020 for guidance in respect of the value that may exist in their shareholding.

8.3. During the next month the company will close its accounts for the financial year-ending 31 July 2022 which accounts will then be audited and approved by the directors for publication to shareholders within the required statutory timeframe of six months after year-end. Shareholders are advised to exercise caution when dealing with their interests in the company until the 2022 audited financial statements are issued.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J Evans', with a long horizontal stroke extending to the right.

JOHN EVANS

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