



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

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Notice to affected persons

29 July 2022

**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 remaining business of the Company and that of its subsidiaries;
 - 2.2. implementing sale transactions already concluded;
 - 2.3. meeting the management, attending board meetings and shareholder meetings of subsidiaries and investee companies;
 - 2.4. paying distributions from the Plan Fund in terms of the adopted business rescue plan;
 - 2.5. attending to the finalisation of litigation which was ongoing at the commencement of business rescue.
3. Gauteng Gambling Board Review Application
 - 3.1. The Company, prior to commencement of business rescue launched an application in the high court to review and set aside an amendment to legislation made by the Gauteng Gambling Board and Gauteng MEC to the Gambling legislation. This amendment removed the payment of a 3% levy on winning fixed odds bets on horse racing to the Company.
 - 3.2. Prior to this amendment, Phumelela received and was paid this levy. This levy contributed substantially to the Company's revenue.
 - 3.3. The matter is proceeding. In this regard:
 - 3.3.1. All affidavits have been filed;
 - 3.3.2. The Company served an amendment to Part B to its Notice of Motion. Effectively, this amendment (when granted) allows the Company, if it is successful in setting aside the

legislation, to claim the monetary value of the 3% it has lost from date the amended legislation was effective to 30 November 2021 (whereafter the benefits under the license ceased and vested in 4Racing (Pty) Ltd). This amendment to the Notice of Motion is currently opposed by the Gauteng Gambling Board;

3.3.3.4Racing (Pty) Ltd has applied to intervene in the proceedings, given its interest in this levy/benefit with effect from 1 December 2021. The Company does not oppose this intervention. The intervention is however being opposed by the Gauteng Gambling Board.

3.4. The court file is available on request and will be provided to affected persons should they submit a request in writing to the business rescue practitioner at johnevans@rsadvisors.co.za.

4. Shareholders General Meeting

4.1. A meeting of shareholders was held via Zoom Webinar on 12 July 2022 to consider and approve the below resolutions. The voting outcome in respect of each is set out below.

4.1.1. Special resolution 1 – Adoption of new memorandum of incorporation

RESOLVED THAT in terms of Section 16(1)(c) of the Companies Act No 71 of 2008 (“the Companies Act”), the existing Memorandum of Incorporation of the Company be amended in its entirety by the substitution therefore of a new memorandum of incorporation.

Special Resolution 1 – Voting Outcome

Total votes cast – 73 682 749

Total votes in favour – 73 659 249 – 99.97%

Total votes against – 23 500 – 0.03%

Special resolution 1 was passed by the requisite majority.

4.1.2. Special resolution 2 – Winding up the company

RESOLVED THAT at a future date (as determined solely and exclusively by the business rescue practitioner (“BRP”)) that after discharging his obligations in terms of the business rescue plan of the Company, (as amended from time to time), (including but not limited to distributing available funds to shareholders either by way of a return of capital or dividends, the BRP be and is hereby authorised to, either (as determined by him solely and exclusively), deregister or wind up or liquidate the Company in accordance with the relevant provisions of the Companies Act 71 of 2008 (as read together with the transitional arrangements set out in schedule 5 of the Companies Act).

Special Resolution 2 – Voting Outcome

Total votes cast – 73 682 749

Total votes in favour – 73 659 249 – 99.97%

Total votes against – 23 500 – 0.03%

Special resolution 2 was passed by the requisite majority.

4.1.3. Ordinary resolution 1 – Authority to take actions

RESOLVED THAT the BRP of the Company be and is hereby authorised to sign all and any such documents, affidavits, agreements, notices and the like to take all such actions as may be necessary to give effect to the foregoing Special Resolution Number 1 and Special Resolution Number 2, and every such thing, action, steps taken and signature by him be and is hereby ratified.

Ordinary Resolution 1 – Voting Outcome

Total votes cast – 73 682 749

Total votes in favour – 73 659 249 – 99.97%

Total votes against – 23 500 – 0.03%

Ordinary resolution 1 was passed by the requisite majority.

5. Memorandum of incorporation

5.1. The new memorandum of incorporation has been lodged with the Companies and Intellectual Property Commission.

6. Distributions to shareholders

6.1. The Company has declared a distribution of capital to shareholders of R1 per share.

6.2. Payment of this distribution was made to all shareholders that have complied with the request to update their FICA and banking details on 29 July 2022.

6.3. Shareholders who have not yet updated their FICA and banking information 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.

6.4. Payment of distributions to those shareholders who subsequently update their FICA and banking details will be processed monthly.

6.5. Further distributions to shareholders will be considered by the Company once the Company's audited financial statements for the year ended 31 July 2022 have been finalised. The target date for completion of the financial statements is 30 November 2022.

Yours faithfully



JOHN EVANS

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