



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

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registration number 1997/016610/06

Notice to affected persons

30 April 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. Notice to Amend the business rescue plan was published to affected persons on 12 March 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 auction sale of the Arlington race course property took place at 10:30 am on 23 April 2021.
 - 4.2. Following a competitive bidding process the final bid price was R25 923 250 (including auctioneers commissions).
 - 4.3. The process of transferring the property to the successful bidder has commenced.
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. Gold Circle have nominated retired Judge Kriegler to preside.
 - 5.3. The first pre arbitration meeting has been held and the parties have agreed the process, dates and timing for filings. The hearing is set for mid-October 2021.
 - 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. Distributions to creditors
 - 6.1. Distributions have been and will in future be paid to creditors in accordance with the provisions of the business rescue plan.
 - 6.2. Creditors were required to submit their claims against the Company by 30 November 2020. Any Late Claims submitted will be considered in accordance with the terms of the Business Rescue Plan and, once reconciled against the Company's records, will be adjudicated by the business rescue practitioner.
 - 6.3. Creditors whose claims have already been reconciled, adjudicated and accepted will, if not already notified, receive formal notice of acceptance of their claim.
 - 6.4. Certain claims will be rejected. They will have to be resolved in accordance with the dispute resolution process set out in the business rescue plan.
 - 6.5. Distributions will only be paid to those creditors whose claims have been submitted, reconciled, adjudicated and accepted.

6.6. The following distributions were paid to creditors in April 2021:

6.6.1.PCF B Facility – R24.3 million

6.6.2.Unsecured Creditors – R69.7 million

6.6.3.Secured Creditors – R15.8 million

6.7. Creditors have to date been paid the following amounts:

6.7.1.Secured Creditors – R347.2 million

6.7.2.PCF Creditors – R106.6 million

6.7.3.Unsecured Creditors – R84.8 million

6.8. The above mentioned distributions represent a distribution of 34 cents in the rand to unsecured creditors whose claims have been adjudicated and accepted.

6.9. Equalisation distributions, of 34 cents in the rand, will be paid to those creditors whose claims are subsequently reconciled, adjudicated and accepted. These equalisation dividends are paid regularly.

6.10. Further distributions will be declared as and when funds are available.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J. Evans', written over a horizontal line.

JOHN EVANS

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