



**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
website: www.phumelela.com

Notice to affected persons

31 August 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. Sale of business
 - 3.1. The Northwest Gambling board approved the transfer of the totalizer license in the Northwest province from the Company to 4Racing earlier this month. The business and operations in the Northwest province will now transfer to 4Racing (Pty) Limited ("4Racing") effective 1 September 2022.
 - 3.2. The last approval being sought is from the Northern Cape Gambling board to transfer the business and operations of the Company in that province to 4Racing.
4. Gauteng Gambling Board Review Application
 - 4.1. 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.

4.2. Prior to this amendment, Phumelela received and was paid this levy. This levy contributed substantially to the Company's revenue.

4.3. The matter is proceeding. In this regard:

4.3.1. All affidavits have been filed;

4.3.2. 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;

4.3.3. 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.

4.4. 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.

5. Distributions to shareholders

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

5.2. 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.

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

5.4. 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.

5.5. 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.