



Phumelela Gaming and Leisure Limited
(in Business Rescue)
Turffontein Racecourse
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registration number 1997/016610/06

Notice to affected persons

31 March 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. finalising the audit of its financial statements for the year ended 31 July 2020;
 - 3.3. adjudicating the claims of creditors. This process is ongoing;
 - 3.4. resolving the claims that have been rejected by way of the dispute resolution proceedings as provided for in the Plan;
 - 3.5. implementing sale transactions already concluded;
 - 3.6. engaging with parties who have expressed an interest in acquiring assets of the Company;
 - 3.7. meeting the management, attending board meetings and shareholder meetings of subsidiaries and investee companies;
 - 3.8. preparing for the potential 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");

- 3.9. Drawing down against the post commencement finance facility;
- 3.10. paying distributions to creditors from the Plan Fund as more fully set out below.
4. Disposal of interest in Uptonvale and Interbet
 - 4.1. Agreement was reached with Uptonvale and Interbet in terms of which Uptonvale bought back the shares held by the Company for an effective R65 million.
 - 4.2. The transaction has been implemented and the purchase price has been settled and transferred to the Plan Fund.
5. Sale of Arlington racecourse
 - 5.1. Broll has been appointed to sell by auction the Arlington race course property owned by the Company.
 - 5.2. The auction is set to take place at 10:30 am on 23 April 2021. Please contact Ismail Hendricks on 082 908 6653 or ihendricks@broll.com for information on the property and the auction.
6. Gold Circle Claim / Dispute Resolution
 - 6.1. Gold Circle's claim to own 39% of the issued share capital of PGI has been rejected and will be resolved in terms of the Dispute Resolution Process, as amended, in the Business Rescue Plan.
 - 6.2. Gold Circle have nominated retired Judge Kriegler to preside.
 - 6.3. I am approaching him to confirm his appointment and willingness to act.
 - 6.4. Once appointed, the parties will meet with the nominated retired Judge to agree the format, timing and rules of the proceedings. Gold Circle will thereafter be obliged to file their statement of claim and Phumelela will then file its statement of defence. The matter will then proceed until finalised.
 - 6.5. 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.
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 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.
 - 7.3. Creditors whose claims have already been reconciled, adjudicated and accepted will, if not already notified, receive formal notice of acceptance of their claim.
 - 7.4. 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.

- 7.5. Distributions will only be paid to those creditors whose claims have been submitted, reconciled, adjudicated and accepted.
- 7.6. The following distributions were paid to creditors in March 2021:
- 7.6.1. Unsecured Creditors – R0.6 million
 - 7.6.2. Secured Creditors – R196.6 million
- 7.7. Creditors have to date been paid the following amounts:
- 7.7.1. Secured Creditors – R331.4 million
 - 7.7.2. PCF Creditors – R82.3 million
 - 7.7.3. Unsecured Creditors – R15.1 million
- 7.8. The above mentioned distributions represent a distribution of 12 cents in the rand to unsecured creditors whose claims have been adjudicated and accepted.
- 7.9. A further distribution has been declared to unsecured creditors in the amount of 22 cents in the Rand. This further distribution will be paid to creditors whose claims have been adjudicated and accepted on or about 1 April 2021.
- 7.10. This further distribution brings the total amount paid to unsecured creditors whose claims have been adjudicated and accepted to 34 cents in the rand.
- 7.11. 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.
- 7.12. Further distributions will be declared as and when funds are available.

Yours faithfully



JOHN EVANS

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