



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

Notice to affected persons

30 September 2021

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 business of the Company and that of its subsidiaries;
 - 2.2. adjudicating the claims of creditors;
 - 2.3. resolving the claims that have been rejected by way of the dispute resolution proceedings as provided for in the Plan;
 - 2.4. implementing sale transactions already concluded;
 - 2.5. meeting the management, attending board meetings and shareholder meetings of subsidiaries and investee companies;
 - 2.6. 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");
 - 2.7. paying distributions to creditors from the Plan Fund as more fully set out below;
 - 2.8. attending to the finalisation of litigation which was ongoing at the commencement date.
3. Gold Circle Claim / Dispute Resolution
 - 3.1. 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.
 - 3.2. The parties have exchanged pleadings are attending to discovery of documents and preparation of witness statements.

3.3. 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.

3.4. 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.

4. Distributions to creditors

4.1. Distributions have been and will in future be paid to creditors in accordance with the provisions of the business rescue plan.

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

4.2.1. Secured Creditors – R347.2 million

4.2.2. PCF Creditors – R164.4 million

4.2.3. Unsecured Creditors – R221.3 million

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

4.4. 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.

5. **Shareholders**

5.1. 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.

5.2. 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.

5.3. The annual financial statements for the financial year-ending 31 July 2021 are being prepared and audited. They are scheduled for approval 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 2021 audited financial statements are issued.

Yours faithfully



JOHN EVANS

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