



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

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**Notice to affected persons**

31 March 2026

**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. maintaining financial records, filing all tax returns and attending to audit requests from SARS;
  - 2.2. attending to share transfer requests and maintaining the Company’s share register;
  - 2.3. paying distributions from the Plan Fund in terms of the adopted business rescue plan;
  - 2.4. attending to the finalisation of litigation which was ongoing at the commencement of business rescue;
  - 2.5. pursuing the VAT input claims.
3. Gauteng Gambling Board Review Application – Fixed Odds Levy
  - 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 was heard on 6 May 2024 and judgement was handed down on 30 May 2024.
  - 3.4. The MEC for Economic Development, Environment, Agriculture and Rural Development (Gauteng) (“the MEC”) and the Gauteng Gambling Board have successfully petitioned the

Supreme Court of Appeal of South Africa (“SCA”) and have been granted leave to appeal the whole of the judgement and all of the orders (except the order granting leave to appeal to 4Racing (Pty) Limited) to intervene) by the Gauteng Local Division of the High Court per Wilson J on 30 May 2024.

- 3.5. The appellants (The Gauteng Gambling Board and MEC) did not comply with the SCA rules in relation to the appeal. The SCA on 6 June 2025 advised the appellants that their appeal had lapsed.
- 3.6. On 17 June 2025 the appellants filed the record of appeal and an application for condonation of their non-compliance with the rules of the SCA. The appellants filed their heads of argument on 18 June 2025.
- 3.7. Phumelela filed its heads of argument and answering affidavit in response to the appellants’ condonation application in June 2025.
- 3.8. The appellants have filed their replying affidavit in respect of the condonation application.
- 3.9. The Supreme Court of Appeals did not allocate a hearing date for this matter in the first court term of 2026. The parties are still awaiting allocation of a hearing date. Publication of the matters to be heard in the second court term is expected during March 2026.
- 3.10. 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](mailto:johnevans@rsadvisors.co.za).

#### 4. Input VAT Claims

- 4.1. The Company has, in accordance with legal opinion in this regard, claimed input VAT on stakes paid for the period from July 2017 to 30 November 2021, the date the horse racing business was transferred to 4Racing. The total value of the input VAT claimed is R97.5 million.
- 4.2. Phumelela has filed the necessary documents to appeal the decisions of SARS to assess the VAT returns and to decline Phumelela’s objections to those assessments.
- 4.3. Phumelela and 4Racing have launched an application for declarator in the High Court of South Africa, Gauteng Local Division. The application was issued on 20 December 2024.
- 4.4. All papers have now been filed and the matter is due to be heard on 18 May 2026.
- 4.5. 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](mailto:johnevans@rsadvisors.co.za).

#### 5. Distributions to shareholders

- 5.1. The Company has returned capital to shareholders since adoption of the business rescue plan of R3.25 per share.
- 5.2. Payment of the above distributions to shareholders who have not yet and subsequently update their FICA and banking details will be processed monthly.

5.3. Further distributions to shareholders will only be considered by the Company after either the Gauteng Gambling Board Review Application or the Input VAT Claims have been fully finalised including all legal processes which may include appeal to the Supreme Court of Appeals and any funds that are or become due to the Company have been received.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J. Evans', with a long horizontal stroke extending to the right.

JOHN EVANS

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