



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

Notice to affected persons

28 February 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. 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. finalising the audit of its financial statements for the year ended 31 July 2020;
 - 2.3. adjudicating the claims of creditors. This process is ongoing;
 - 2.4. resolving the claims that have been rejected by way of the dispute resolution proceedings as provided for in the Plan;
 - 2.5. implementing sale transactions already concluded;
 - 2.6. engaging with parties who have expressed an interest in acquiring assets of the company;
 - 2.7. meeting the management, attending board meetings and shareholder meetings of subsidiaries and investee companies;
 - 2.8. preparing for the potential court or dispute resolution process to resolve Gold Circle's alleged claim to own 39% of the issued share capital of Phumelela Gold International Limited ("PGI"). We were hoping that Gold Circle would have launched their proceedings by now, unfortunately they have not and we are engaging with their attorneys to do so without further delay;

2.9. paying distributions to creditors from the Plan Fund as more fully set out below.

3. Sale of interest in Premier Gateway International

3.1. Phumelela Gold International has concluded the sale of the shares it held in Premier Gateway International Limited.

3.2. The sale consideration of £10.8 million was received by Phumelela Gold at the end of February 2021 and will be deposited into the Plan Fund within the next few days.

3.3. Dividends received from Phumelela Gold since commencement of business rescue total R137.6 million, which amount has been contributed to the Plan Fund.

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 who have not yet submitted claims against the Company are required to do so. The claims will then be reconciled against the Companies records and thereafter adjudicated by the business rescue practitioner.

4.3. Creditors whose claims have already been reconciled, adjudicated and accepted will if not already notified, receive formal notice of acceptance of their claim.

4.4. 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.

4.5. Distributions will only be paid to those creditors whose claims have been submitted, reconciled, adjudicated and accepted.

4.6. The following distributions were paid to creditors in January 2021:

4.6.1. Unsecured Creditors – R0.35 million

4.6.2. Secured Creditors – R22.8 million

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

4.7.1. Secured Creditors – R134.8 million

4.7.2. PCF Creditors – R82.3 million

4.7.3. Unsecured Creditors – R14.5 million

4.8. The above mentioned distributions represent a distribution of 12 cents in the rand to unsecured creditors whose claims have been adjudicated and accepted.

4.9. Equalisation distributions, of 12 cents in the rand, will be paid to those creditors whose claims are subsequently submitted, reconciled, adjudicated and accepted. These equalisation dividends are paid regularly.

4.10. The next draw down from the Post Commencement Finance B facility will happen towards the end of March 2021. These funds will be contributed to the Plan Fund and will facilitate an additional distribution to unsecured creditors. The quantum of the distribution will be confirmed in the next status report.

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

Yours faithfully

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

JOHN EVANS

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