



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

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registration number 1997/016610/06

**Notice to affected persons**

31 October 2020

**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 proposed business rescue plan was adopted by creditors on 1 September 2020.
3. The BRP has continued to implement the business rescue plan, including, *inter alia*, to:
  - 3.1. continue to trade the business and that of its subsidiaries;
  - 3.2. proceed to finalise the audit of its financial statements for the year ended 31 July 2020;
  - 3.3. adjudicate the claims of creditors. This process is time consuming and ongoing;
  - 3.4. enter into agreements for the sale of the Horse Racing business and the sale of Betting World;
  - 3.5. engaged and continue to engage with parties who have expressed an interest in acquiring assets of the company;
  - 3.6. meet with the management, attend boards meetings and shareholder meetings of subsidiary and investee companies;
  - 3.7. engage with the Johannesburg Stock Exchange regarding the future of the company and continuation or not of its listing;
  - 3.8. prepare for a potential arbitration / dispute resolution or court process in regard to Gold Circle's claim to own 39% of the issued share capital of Phumelela Gold International Limited("PGI");

- 3.9. receive monies into the Plan Fund from:
  - 3.9.1.the company's debtors;
  - 3.9.2.in respect of dividends received from PGI; and
  - 3.9.3.the first draw down from the PCF B facility provided by MOD;

3.10. pay the first distributions to creditors from the Plan Fund.

4. Distributions to creditors

- 4.1. Distributions will be paid to creditors in accordance with the provisions of the business rescue plan.
- 4.2. Creditors are required to submit claims in respect of all amounts due to them. Once received the claims will be reconciled to the companies records and thereafter adjudicated by the business rescue practitioner.
- 4.3. Creditors whose claims have been reconciled, adjudicated and accepted will receive formal notice of acceptance of their claim.
- 4.4. It appears that some claims may be rejected and may need to be resolved in terms of the dispute resolution process set out in the business rescue plan.
- 4.5. Distributions will only be paid to creditors whose claims have been submitted, reconciled, adjudicated and accepted.
- 4.6. The following distributions were paid to creditors in October 2020:
  - 4.6.1.Secured Creditors – R27.8 million
  - 4.6.2.PCF Creditors – R82.3 million
- 4.7. A distribution of 12 cents in the rand will now be paid to unsecured creditors whose claims have been submitted, reconciled, adjudicated and accepted. The first payment will be processed on 2 November 2020.
- 4.8. Equalisation distributions will be paid to those creditors whose claims are subsequently submitted, reconciled, adjudicated and accepted. These are scheduled for 16 and 30 November 2020 and monthly thereafter.
- 4.9. 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.