



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

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**Notice to affected persons**

27 June 2022

**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 remaining business of the Company and that of its subsidiaries;
  - 2.2. implementing sale transactions already concluded;
  - 2.3. meeting the management, attending board meetings and shareholder meetings of subsidiaries and investee companies;
  - 2.4. paying distributions from the Plan Fund in terms of the adopted business rescue plan;
  - 2.5. attending to the finalisation of litigation which was ongoing at the commencement date.
3. Gauteng Gambling Board Review Application
  - 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 Phumelela.
  - 3.2. In this regard prior to this amendment Phumelela received and was paid this levy. This levy contributed substantially to Phumelela's revenue.
  - 3.3. The matter is proceeding. In this regard:
    - 3.3.1. All affidavits have been filed;
    - 3.3.2. The company served an amendment to its Part B to its Notice of Motion. Effectively, this amendment (when granted) allows the Company, if it is successful in setting aside the legislation, to claim the monetary value of the 3% it has lost from date the amended

legislation was effective to 30 November 2021 (whereafter the benefits under the license ceased and vested in 4Racing (Pty) Ltd). This amendment to the Notice of Motion is currently opposed by the Gauteng Gambling Board;

3.3.3.4Racing (Pty) Limited have applied to intervene in the proceedings, given their interest in this benefit with effect from 1 December 2021. The Company does not oppose this intervention. It is however being opposed by the Gauteng Gambling Board.

3.4. 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 [johnnevans@rsadvisors.co.za](mailto:johnnevans@rsadvisors.co.za).

#### 4. Interim Financial statements

4.1. Condensed Interim Financial Results have been prepared for the 7 months ended 28 February 2022 and are attached.

#### 5. Shareholders

5.1. Notice of a Meeting of Shareholders to be held via Zoom Webinar on 12 July 2022 is attached hereto.

5.2. Please read the notice and proposed shareholder resolutions carefully. The resolutions seek to:

5.2.1. Amend the company's memorandum of incorporation; and

5.2.2. Confirm that the Company is to either be de-registered or wound up and that all surplus funds are to be distributed to shareholders; and

5.2.3. To provide the requisite authority to the business rescue practitioner to implement the resolutions, this in addition to the other powers it currently has and enjoys.

5.3. Should you wish to attend you are required to contact the company secretary Freda Moloi via email at [fredam@phumelela.com](mailto:fredam@phumelela.com) with their details no later than Friday, 1 July 2022.

5.4. Should you be unable to attend you may still cast your vote in favour or against the proposed resolutions by completing the proxy form attached to the notice. Proxy forms must be emailed to the company secretary at [fredam@phumelela.com](mailto:fredam@phumelela.com) by not later than Friday, 8 July 2022, at 16:00 (South African time) for administrative purposes. Any form of proxy not emailed to the company secretary by this time may still be emailed to the company secretary (who will provide same to the chairman of the meeting) at any time before the meeting.

5.5. The adoption of the proposed shareholder resolutions will facilitate the distribution of surplus funds generated from the sale of the company's assets and trading to shareholders. If adopted the first distribution will be confirmed and paid before the end of July 2022.

5.6. Shareholders are referred to the notice published on 14 December 2021. If you did not receive a copy of the notice it is available on the Company's website [Shareholder Notice 14 Dec 2021](#) and [Computershare Letter](#). Shareholders are asked therein to please update their

contact, FICA and banking details via Computershare who have been engaged to manage this process for the Company.

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.