
PEMBURY LIFESTYLE GROUP LIMITED
Incorporated in the Republic of South Africa
(Registration number 2013/205899/06)
Share code: PEM ISIN: ZAE000222949
("Pembury" or "the Company")

RENEWAL OF CAUTIONARY ANNOUNCEMENT

Further to the 'Receipt of Application for Provisional Liquidation and Cautionary Announcement' dated 14 February 2020 regarding the liquidation applications served on the Company by Moore Stephens Inc, Pembury's former auditors, and the subsequent renewal of cautionary announcements, the last of which was dated 16 March 2021 (and using the terms defined therein unless otherwise stated), shareholders are advised that Verityhurst has entered into an agreement for the acquisition of the claims from the former auditors ("**Agreement**"), and that the first payment in terms thereof has been made by Verityhurst.

The Agreement provided for the initial halting of the legal proceedings and the withdrawal of the legal proceedings on receipt of the final payment. It also provided for the former auditors to allow the incoming auditors access to the working papers in order to verify opening balances, which was a stumbling block for the new auditors. Whilst the Agreement has technically lapsed, further payments have been made and the relationship remains cordial. The Company has subsequently entered into new negotiations with the former auditor to settle debts in shares or extend the payment plan. The Company is still resolving the issue price with the JSE in terms of the Verityhurst subscription.

With regards to the new auditors finalising the audit for the year ended 31 December 2019, the process could only commence after the Company had provided IFRS reviewed Annual Financial Statements ("**AFS**") to the new auditors.

Accordingly, the Company has engaged with an independent IFRS reviewer, Professor Sean Weldon, who has finalised the draft subsidiary financial statements, which were subsequently provided to the new auditors during January 2021 and an updated audit plan was presented. Queries have been raised and additional information has been requested from the auditors. Consideration is also being made to completing the audit for 31 December 2020 on a back to back basis as the Company is busy with the preparation for this audit as well.

The Audit and Risk Committee ("**ARC**") is monitoring this progress of the audit on a weekly basis but the process of resolving queries has been slow.

The Company will also be required to publish its interim results for the six months ended 30 June 2020 and the audited financial results for the year ended 31 December 2020. Thereafter, application will be made to the JSE for the lifting of the suspension of trade in the Company's securities.

Accordingly, shareholders are advised to continue exercising caution when dealing in the Company's securities until a further announcement is made.

Johannesburg
3 May 2021

Designated Adviser
Merchantec Capital