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

SIGNATURE OF ADDENDUM WITH FORMER AUDITORS AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the original 'Receipt of Application for Provisional Liquidation and Cautionary Announcement' dated 14 February 2020 regarding the liquidation applications served on the Company by Moore Stephens FRRS Inc. ("**Moore**"), Pembury's former auditors, and the subsequent renewal of cautionary announcements, the last of which was dated 14 June 2021 (and using the terms defined therein unless otherwise stated), shareholders were advised that Verityhurst had entered into an agreement for the acquisition of the claims from the former auditors ("**Agreement**") and that the Agreement had lapsed.

The Board is pleased to advise that a new addendum has been signed between Moore and Verityhurst and subject to the receipt of the first progress payment, the legal proceedings will be withdrawn.

The addendum also provides for the issue of shares under the Verityhurst Subscription agreement at 10.5 cents. Given that Pembury was suspended on 1 July 2020, the Company is still in discussion with the JSE Limited regarding the Subscription Price for the Verityhurst Subscription.

The Company is currently considering alternative solutions in order to complete the 2019 and 2020 financial statement audits following the unexpected doubling of the audit fee proposal earlier this year to just under R4 million.

The Company has reached out to its former auditors to provide quotes on completing each subsidiary annual financial statements separately and then report to the Group's auditors in order to complete the consolidated annual financial statements. Alternatively, the Group's auditors could be changed.

Audit fee proposals have since been received and will be considered by the Audit and Risk Committee during July 2021. The proposals contain certain conditions precedent that will need to be addressed before the appointment can be confirmed.

Following the finalisation of the audits, publication of year end and relevant interim results, including the interim results for the six months ended 30 June 2021, 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
26 July 2021

Designated Adviser
Merchantec Capital