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

UPDATE ON VERITYHURST SHARE SUBSCRIPTION AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

1.1. Shareholders are collectively referred to the:

- 1.1.1. Detailed Cautionary Announcement relating to an Offer to Subscribe for Shares by Verityhurst Proprietary Limited ("**Verityhurst**")' announcement dated 30 July 2020 (and using the terms defined therein unless otherwise stated) wherein shareholders were advised, *inter alia*, that the Board had accepted an offer from Verityhurst to enter into a Share Subscription Agreement in terms of which Verityhurst has agreed to subscribe for 180 000 000 Subscription Shares for cash at a subscription price of 10.5 cents per share for a total consideration of R18 900 000 subject to certain suspensive conditions, including the disposal of the PLG Retirement Village subsidiary ("**Share Subscription**"); and
- 1.1.2. update announcements, the last of which was released on SENS on 6 August 2020 and the subsequent renewal of cautionary announcement, the last of which was released on SENS on 22 April 2021.

1.2. Shareholders are reminded that, as announced on SENS on 14 August 2020:

- 1.2.1. given that the Company was suspended on 1 July 2020, the Subscription Price of the Subscription Shares by Verityhurst is subject to discussions with the JSE Limited ("**JSE**") in terms of the Company's general authority; and
- 1.2.2. in so far as paragraph 9.7 of the Listings Requirements of the JSE is concerned and to which the disposal of the PLG Retirement Villages is subject, the JSE has, via the Designated Advisor, engaged with the Company in order to reach a determination of the categorisation of such disposal prior to signature of the disposal agreement.

1.3. The JSE had requested a formal ruling which was submitted in February 2021. The Company is currently in ongoing discussions with the JSE regarding this matter.

1.4. Subsequently, the JSE has requested a valuation for the Subscription Price of the Subscription Shares, which was completed by the Company and submitted to the JSE for approval.

1.5. A meeting was held in the first week of July 2021 and the Company was requested to provide an additional motivation to the JSE, which was submitted to the JSE last week for their consideration.

2. Abacus Agreement

2.1. Shareholders are further referred to the Quarterly Progress Report released on SENS on Monday, 5 July 2021, wherein it was advised *inter alia* that an agreement of sale and cession of claims has been signed between Abacus Space Solutions ("**Abacus**") and Verityhurst for the acquisition of the debt by way of an issue of shares ("**Abacus Agreement**") on 30 June 2021 ("**Signature Date**") under the Share Subscription Agreement, which will address the largest creditor of the Group.

2.2. It must be noted that the implementation of the Share Subscription for Verityhurst is conditional upon the finalisation of the JSE's ruling on the Subscription Price detailed in paragraphs 1.2 to 1.5 above.

2.3. In the event that a favourable ruling from the JSE is not obtained, Verityhurst will need to negotiate an addendum with Abacus so as to not prejudice Abacus.

3. Material Provisions of the Abacus Agreement

3.1. Abacus has a claim against PLG Properties Proprietary Limited ("**PLG Properties**") amounting to R9 407 066.43 as at 1 June 2021 ("**Claim**") and had previously instituted a legal process against PLG Properties.

3.2. Verityhurst has purchased the Claim, in exchange for Abacus capitalising the Claim, by way of the subscription of 89 591 109 PLG ordinary shares ("**PLG Shares**") and the first payment has been made in terms of this agreement.

3.3. Abacus will transfer a *pro rata* amount of the PLG Shares to Verityhurst after each payment and will retain the balance until full payment is received.

3.4. Subject to paragraph 2.3 above, the PLG Shares will be issued and held in trust until the lifting of the suspension in trade of the Company's ordinary shares listed on the securities exchange operated by the JSE ("**Suspension**") unless the Company secures permission from the JSE to apply for the listing of such shares prior to the lifting of the Suspension.

4. Renewal of Cautionary

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

Johannesburg
27 July 2021

Designated Adviser
Merchantec Capital