
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**”)

RENEWAL OF CAUTIONARY ANNOUNCEMENTS

1. Introduction

1.1. Shareholders are collectively referred to the cautionary announcements relating to:

1.1.1. the Verityhurst Share Subscription and the Disposal of PLG Retirement Villages, the last of which was released on SENS on 18 October 2021 (“**Verityhurst Share Subscription Cautionary**”); and

1.1.2. the Former Auditors, the last of which was released on SENS on 21 October 2021 (“**Former Auditors Cautionary**”).

1.2. Capitalised terms used herein that are not otherwise defined, bear the meanings ascribed to them in the Verityhurst Share Subscription Cautionary and the Former Auditors Cautionary.

2. Verityhurst Share Subscription and Disposal of PLG Retirement Villages Cautionary

2.1. In terms of the Verityhurst Share Subscription, Verityhurst had agreed to subscribe for 180 000 000 PLG ordinary shares for cash at a subscription price of 10.5 cents per share for a total consideration of R18 900 000 (“**Verityhurst Share Subscription**”) subject to certain suspensive conditions, including the disposal of the PLG Retirement Village subsidiary (“**Disposal of the PLG Retirement Villages**”).

2.2. Given that the Company was suspended on 1 July 2020:

2.2.1 the Verityhurst Share Subscription; and

2.2.2 the categorisation of the Disposal of the PLG Retirement Villages,
have been subject to discussions with the JSE Limited (“**JSE**”).

2.3. In terms of the Verityhurst Share Subscription, the JSE has ruled that it cannot proceed under the General Authority. As a consequence of such ruling, the Company requested the JSE to enable the Verityhurst Share Subscription to proceed under the rescue provisions contained in schedule 11 of the Listings Requirements. The JSE has advised that this will not be permitted and that any issues of shares for cash will need to be done through an accelerated specific issue of shares for cash circular route pursuant to paragraph 11.19B and/or a summary circular pursuant to paragraph 11.56 of the Listings Requirements.

3. Disposal of the PLG Retirement Villages

3.1. In terms of the Disposal of the PLG Retirement Villages, the JSE ruling request was posited on the inter-conditionality of the Verityhurst Share Subscription being implemented and, as such the JSE ruled that it cannot be effected.

3.2. It has subsequently been clarified that only the initial offer to the Board had set certain inter-conditionality and the JSE has been advised that the final signed agreements were not inter-conditional and were entered into with separate parties. The JSE is now reconsidering the Disposal of the PLG Retirement Villages and will revert with their response thereto in due course.

4. Former Auditors Cautionary

- 4.1. With respect to the Abacus Agreement, details of which are contained in the announcement released on SENS on 27 July 2021, Abacus had confirmed that it was willing to receive shares in settlement of the debt owed by PLG, if such shares were allowed to be issued pursuant to the rescue provisions contained in schedule 11 of the Listings Requirements.
- 4.2. With respect to Moore Stephens Inc. ("**Moore**"), this agreement had also provided for the issue of shares at 10.5 cents under the Subscription Agreement in exchange for Verityhurst acquiring the Moore historic debt.
- 4.3. With the inability to issue shares to Verityhurst and the recent changes to the Board, the agreements are no longer valid and is being renegotiated. The re-appointed Chief Executive Officer ("**CEO**") is in negotiations with both Moore and Abacus, with a view of finding a solution to settle the historic debt and have the liquidation applications withdrawn.

5. Cost Saving Initiatives

- 5.1. The re-appointed CEO has brought about extensive cost saving measures to PLG including *inter alia* the following:
 - 5.1.1.the closure of non-performing schools;
 - 5.1.2.changing various service providers;
 - 5.1.3.raising funds for PLG to settle creditors; and
 - 5.1.4.reducing unnecessary staff throughout the Group.
- 5.2. In addition, the Company is currently preparing 2 PLG properties that are no longer suited for schooling purposes to be put up for sale, subject to shareholders and JSE approval, as applicable. This strategy will raise a substantial amount in cash. The funds raised will be used to pay creditors, relieve PLG of liquidation orders and finalise audits for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021. This been said, three of our top performing schools have shown great growth and with further investment, will see these schools reach their full potential.

6. Renewal of the Verityhurst Share Subscription Cautionary and the Former Auditors Cautionary

In light of the aforementioned information, shareholders are advised to continue exercising caution when dealing in the Company's securities until a further announcement is made.

Johannesburg
30 November 2021

Designated Adviser
Merchantec Capital