



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

Shareholders are referred to the cautionary announcements relating to the Former Auditors, the last of which was released on SENS on 22 August 2022.

Auditors

The Company's Audit and Risk Committee ("ARC") reapproached the former auditor, Moore, and has received a revised audit plan and fee proposal for the audits for the years ended 31 December 2019 and 31 December 2020. At the Audit and Risk Committee meeting held on 6 October 2022, at which the audit plan and fee proposal was tabled, it was agreed that Moore would be re-appointed as auditor, subject to the provision of the required documentation in accordance with the JSE Listings Requirements, a final agreed payment plan and the consent of the auditors. It is noted that the client acceptance by Moore has already been agreed from a group risk perspective following a high level discussion of the improved control environment, certain pre-conditions being met and the reintroduction of sound corporate governance.

Discussions around the remaining audit fee outstanding for two of the group entities and the settlement thereof are ongoing but are constructive.

The intention is to get the audits started as soon as possible on the entities where fees are no longer outstanding and then complete these audits on a back to back basis. The audits for the remaining entities will commence as soon as the old audit fee has been settled. The auditors have confirmed that the information provided for 2019 is already sufficient for the audit work to commence.

Independent property valuations had already been completed in March 2020, which will assist the audit process for the years ended 31 December 2019 through to 31 December 2021. An independent property valuer will be appointed to conduct an independent valuation of the various properties for the audit for the year ending 31 December 2022.

The steps taken in late 2020 and 2021 to substantially improve the internal financial reporting have been maintained by the incumbent Financial Director. Accordingly, it is expected that once the audit for FY19 has been finalised, the following two years and the relevant interim reports will be able to be finalised and published in quick succession.

A further announcement will be made once the formalities around the re-appointment of the auditor has been made, in accordance with the JSE Listings Requirements.

Other matters

The Company is also preparing a comprehensive update announcement covering operational and recapitalisation initiatives, which will be published in due course following a strategy session which will be held within the next 3 to 4 weeks.

In addition to the above, the Company is in the process of securing additional funding for the group, pursuant to the signing of a letter of intent with the representative of the controlling shareholder/s for the acquisition of no less than 35% of the existing shares in the Company at 5 cents per share, comprising several separate agreements ("Binding Agreements"). Certain of these agreements will only be able to be signed once an Executor has been appointed to the Estate of Mr A McLachlan. Once the agreements have been signed, a mandatory offer will be triggered. The acquiring party will advance the funding to ensure that the outstanding audits are completed in quick succession. A further announcement will be made once the Binding Agreements are signed and the Company will then approach the Takeover Regulation Panel.

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

11 October 2022

Designated Advisor

AcaciaCap Advisors Proprietary Limited

