



Pembury Lifestyle Group

PEMBURY LIFESTYLE GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2013/205899/06)

("PLG" or "the Company")

ISIN Code: ZAE000222949

JSE Code: PEM

RENEWAL OF CAUTIONARY

Shareholders are referred to the previous cautionary announcements published on SENS, the last being on 28 March 2023. Shareholders are advised that the following progress has been made to date:

Update on the Schools

Raslouw

The Department of Education sent a final letter to shut down the school until the correct rezoning is in place.

Carlswald

The company received a letter from the city of Johannesburg for unauthorized use of the property and has been ordered to shut down the school until the rightful zoning is in place.

Willowview

The application for Umalusi was submitted in mid-January 2023. The school is working on ensuring that Umalusi is accredited again, great progress has been made.

Springs

The school is currently in the process of applying for an EMIS extension to Grade 12. The Town Planner has applied to city of Ekurhuleni and great progress has been made.

Verityhurst Proprietary Limited ("Verityhurst") – convertible loan

Shareholders are advised that Verityhurst continues to provide funding for the renovations of schools across the group and is glad to announce that following renovations at Willowview, the boarding at Willowview has been reopened.

Verityhurst will continue to provide funding despite finding out that all of the company's assets have been used as collateral. Verityhurst signed a R25M convertible loan which was supposed to be secured by all the assets of the company, however, it has become evident that all the company's assets have been used as collateral meaning the Verityhurst loan was obtained under false pretences. All assets are not available to secure the Verityhurst Convertible Loan as agreed such as A and N Holdings owned by Noor Muhammed who entered into a loan agreement with a deceased director where the said director used the company property as collateral, the said loan amount was never transferred into the company account, whereas only R1.3M was utilised for the company benefit through an attorney trust account and the company had sought to settle the balance however the creditor refused to accept the offer because of the settlement agreement that the creditor signed with the former board members being advised by former DA and CoSec. Such settlement agreement was signed against the advice of the current CEO and Finance director of the company. The current CEO and Finance Director picked up that only R1.3M was utilised by the company but the former board with the advice of the DA saw it fit to ask that Verityhurst to rather pay this fraudulent transaction and let the company rather claim from the late estate instead of letting the creditor claim from the late estate. A case was then opened by the company and the police are handling this fraudulent activity, an update will be announced in due course.

Van Dyke Inc also has collateral on Sanrock property, Company attorneys are busy handling this issue and an update will be announced in due course as Verityhurst is also providing funding for the attorneys to fight for the company and remove this collateral. The company has other two properties which were purchased for R69 million whereas the ownership transfer of these properties has not taken place which means the Verityhurst loan was not secured as per the signed convertible loan agreement. This put the company in a bad position as Verityhurst also discovered that another property that is bonded by a bank was offered as a second collateral to the A and N Holdings creditor upon the failure of the company to fulfil the payment of the R1M that was due on the 28th of February 2023 as per the settlement agreement signed by the former board of directors advised by the former DA and CoSec. In light of these revelations, Verityhurst realised that it stands a great chance to lose all the interest-free loans it provided to the company and for Verityhurst to continue with the funding even though it was misled the company offered Verityhurst the bank bonded asset as a settlement for all the loan amount provided thus far, whereas Verityhurst would be responsible for the settlement of the bond amount of R1.5M. Verityhurst has taken over the property and due to this reason there is enough comfort for the continuance of funding to the company by Verityhurst. The company has continued to receive funding after Verityhurst has taken over the said property, which gives the company confidence that Verityhurst is indeed a reliable funder that will continue to assist the company in bringing it back to its former glory.

In light of these new developments, shareholders are being advised that the current Chairman of the board Mandla Lamba will be stepping down at the end of June 2023 and a new Chairman will be announced in due course.

Audits

The audit for 2019 has not yet commenced although an Audit and Risk Committee meeting was held and the Company decided to focus on the audit of the property subsidiary, where the audit fee has been settled in full.

Legal

The Company continues to engage with various claims and creditors on a case-by-case basis and in a constructive manner, as each matter requires proper investigation. Certain matters will be defended where there is no basis for the claim. Legal counsel is assisting in this regard.

Other changes

There are a number of other changes to the Board and advisors, new committees and a new DA will be announced in due course.

Renewal of cautionary announcement

In light of the above information, shareholders are accordingly advised to continue to exercise caution until a further announcement is made.

Johannesburg

16 May 2023