



Pembury Lifestyle Group

PEMBURY LIFESTYLE GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2013/205899/06)

("PL Group" or "the Company")

ISIN Code: ZAE000222949 JSE Code: PEM

ABRIDGED PROSPECTUS RELATING TO THE LISTING OF PEMBURY LIFESTYLE GROUP LIMITED

1. BACKGROUND ON THE PROSPECTUS

The board of directors of PL Group ("the Directors") are pleased to announce the issue of a Prospectus prepared and issued in terms of the JSE Listings Requirements and the Companies Act, 2008 (No. 71 of 2008), as amended ("the Act"), relating to a Private Placement for subscription of PL Group ordinary Shares by way of:

- an offer by the Company by way of a Private Placing of 100 000 000 shares at 100 cents each and a Preferential Offer for subscription of 40 000 000 shares at 100 cents each, totalling 140 000 000 ordinary no par value Shares in the issued share capital of the Company at an issue price of 100 cents per ordinary Share; and
- the subsequent listing of up to 353 000 000 ordinary no par-value shares at 100 cents each in PL Group on the Alternative Exchange ("AltX") of the JSE in the Specialised Consumer Services Sector.

Opening date of the Private Placement (comprising the Private Placing and Preferential Offer) and announced on SENS at 09h00 on	Thursday, 9 March 2017
Closing date of the Private Placement (comprising the Private Placing and Preferential Offer) at 12h00 on*	Friday, 24 March 2017
Anticipated listing date on AltX at commencement of trade at 9h00 on	Friday, 31 March 2017

**Shareholders wishing to subscribe for ordinary Shares in dematerialised form must advise their Central Securities Depository Participant ("CSDP") or broker of their acceptance of the Private Placement of Shares in the manner and within the cut-off time stipulated by their CSDP or broker.*

In the event of an over-subscription in terms of the Private Placement, the Directors will adjust the allocation of applicants on an equitable basis in accordance with paragraph 5.18 of the JSE Listings Requirements. The Shares placed in terms of the Prospectus will rank *pari passu* with the existing ordinary Shares in PL Group and rank equally as to voting, share in profits, dividends and distributions.

At the date of closing of the Private Placement and assuming that the Private Placement is fully subscribed, PL Group share capital will comprise 1 000 000 000 authorised ordinary Shares of no par value and 353 000 000 issued ordinary Shares of no par value with stated capital of R146.9 million (before write off of share issue expenses). There will be no convertible or redeemable shares issued.

In the opinion of the Directors, an overall minimum subscription of R140 000 000 is required in terms of the Private Placement. The listing will also be subject to meeting the minimum spread requirements for companies listing on the AltX as detailed in the Prospectus.

The Company is required to meet the minimum spread requirement of at least 10% to be held by the general public as defined in the JSE Listings Requirements in order to ensure reasonable liquidity, which will amount to approximately R35 000 000 or 35 000 000 shares at 100 cents per share. In the event that this is not achieved, monies will be refunded to all applicants.

The JSE has granted PL Group a listing in respect of up to 353 000 000 ordinary Shares on the AltX under the abbreviated name "PL Group", share code "PEM" and ISIN ZAE000222949. It is anticipated that the listing of the Shares on AltX will become effective from the commencement of business on or about Friday, 31 March 2017 or such later date as granted by the JSE.

The Private Placement has not been underwritten.

The Company does not have any Treasury Shares or debentures in issue.

Applications for ordinary Shares in PL Group must be for a minimum of 2 000 ordinary Shares at 100 cents per share, amounting to R2 000, and in multiples of 100 ordinary Shares thereafter. Fractions of Shares in PL Group will not be issued.

The Shares in PL Group will be tradable on the JSE in dematerialised form only and, as such, all investors who elect to receive their ordinary Shares in PL Group in certificated form, will have to dematerialise their certificated Shares should they wish to trade therein.

The Directors, whose names are given in paragraph 1.2 of the Prospectus issued by the Company, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Prospectus contains all information required by law and the JSE Listings Requirements.

The Designated Advisor, Auditors and Reporting Accountants, Attorney, Commercial Banker and Transfer Secretaries, whose names are set out in the Prospectus, have given and have not, prior to registration, withdrawn their written consents to the inclusion of their names in the capacities stated.

An English copy of the Prospectus, accompanied by the documents referred to under "Registration of Prospectus" in paragraph 4.2 of the Prospectus, was registered by the Commissioner on 8 March 2017 in terms of Regulation 52(5) of the Companies Act, 2008 (No. 71 of 2008), as amended.

2. INCORPORATION AND NATURE OF BUSINESS

PL Group was incorporated as a public company on 5 November 2013 and remained dormant until PLG Schools commenced operations during 2015. PL Group currently focuses mainly on providing accessible, affordable, private education through its schools, with an intention to own the properties from which the schools operate. In due course, the group will explore the acquisition of retirement accommodation and services, subject to shareholder approval.

The Company operates as a holding company to three subsidiaries, namely:

- PLG Schools, the education segment;
- PLG Properties, the company which will own the group properties; and
- PLG Retirement Villages, the retirement segment (currently dormant).

As the holding company, PL Group centrally manages the administration of the Group subsidiaries and is responsible for the strategic direction thereof. Currently, the main revenue driver of the group is the education segment, primarily comprising school and boarding fees.

The Company will list on the Alternative Exchange in the Specialised Consumer Services sector of the JSE lists.

3. PURPOSE OF THE OFFER

The rationale for the listing of PL Group on the AltX is set out below:

- to raise capital to use for:
 - the settlement of property vendor obligations of approximately R87 million;
 - the reduction of debt, such as the back-to back funding with DBSA through the Hartbeespoort Acquisition;
 - working capital; and
 - planned capital expenditure on school sites over the 2017 year;
- to have access to additional capital for future growth and acquisitions;
- to acquire new sites;
- to afford investors a further opportunity to invest in the education sector and, in due course to invest in the retirement sector;
- to provide the Group with a platform to improve its business profile and visibility;
- to increase the liquidity of the shares of the Company and widen our investor base;
- to grow into new markets in South Africa and the rest of Africa; and
- to offer shares option and incentives to employees and future employees.

In addition, PLG Schools operates in a demand driven market and listed competitors in the Education Sector are considered desirable investments. It is thus envisaged that the listing of PL Group will attract considerable investor appetite upon the Company's listing.

The Group as it stands as an education business before acquiring the various properties does not immediately need working capital and does not have current funding requirements as the Group, through its founder, has secured the various properties over the past two years through which the current school operations are conducted and he has continued to fund the improvements and operations. However, it is the intention to raise as much capital as possible on listing in order to fast track the transfer of the Acquisition Properties as well as the acquisition and roll out of additional educational facilities, thereby reducing the reliance on the founder. Loan funding of R24 000 000 has also been secured by the Group as part of the Willow View Acquisition Agreement and the Northriding Acquisition Agreement.

A minimum capital amount will be raised in order to ensure that the Company meets the shareholder spread requirements of the JSE. In addition to the above, the Company aims to secure the transfer of the Acquisition Properties, despite underlying lease agreements or agreements for monthly payments or occupational rent being in place.

This minimum amount has been set at R140 000 000, as certain Acquisition Property Vendors have contracted to provide vendor loans for a portion of the purchase consideration, in the amount of R24 000 000. A minimum subscription of R140 000 000 has accordingly been set as further detailed in paragraph 2.4 of the Prospectus.

As at the date of the Prospectus, PL Group is not listed on any Stock Exchange.

4. FINANCIAL INFORMATION

Historical Financial Information

An extract of the consolidated historical financial information for the six months ended 31 August 2016 and the year ended 29 February 2016 is set out below. The company expects to publish its consolidated results for the 10 months ended 31 December 2016 on or about 31 March 2017.

Consolidated Statement of Financial Position

Figures in Rand	Six months ended 31 August 2016	Year ended 29 February 2016
ASSETS		
Non-Current Assets	48 399 453	30 949 318
Property, plant and equipment	45 707 439	26 215 560
Goodwill	2 692 014	2 692 014
Deferred tax		2 041 744
Current Assets	3 513 514	1 468 062
Trade and other receivables	3 506 297	1 446 152
Cash and cash equivalents	7 217	21 910
Total Assets	51 912 967	32 417 380
EQUITY AND LIABILITIES		
Equity	6 780 176	(5 483 531)
Stated capital	100	100
Reserve	14 660 332	-
Accumulated loss	(7 880 256)	(5 483 431)
Liabilities		
Non-Current Liabilities	33 706 471	28 425 909
Financial liability	747 017	777 017
Finance lease liabilities	20 054 597	20 079 638
Loan from related party	11 163 596	7 569 254
Deferred tax	1 741 261	
Current Liabilities	11 426 320	9 474 902
Financial liability	619 807	1 082 431
Finance lease liabilities	899 581	1 055 715
Trade and other payables	9 906 932	7 336 756
Total Liabilities	45 132 791	37 900 811
Total Equity and Liabilities	51 912 967	32 417 380
Number of shares in issue (Post sub-division)	100	100
Net asset value per share (cents)	6 780 176	(5 483 531)
Net tangible asset value per share (cents)	4 088 162	(8 175 545)
Number of shares in issue (post sub-division)	200 000 000	200 000 000
Net asset value per share (cents)	3.39	(2.74)
Net tangible asset value per share (cents)	2.04	(4.08)

Consolidated Statement of Comprehensive Income

Figures in Rand	Six months ended 31 August 2016	Year ended 29 February 2016
Revenue	20 635 210	12 836 116
Other income	5 910	-
Operating Expenses	(21 871 131)	(19 840 494)
Loss before interest, taxation, depreciation and amortisation	(1 230 011)	(7 004 378)
Depreciation	(202 274)	-
Interest	(1 414 394)	(520 897)
Interest received	2 903	2 001
Finance costs	(1 417 297)	(522 898)
Loss before taxation	(2 846 679)	(7 525 275)
Taxation	449 954	2 041 744
Net loss after taxation	(2 396 725)	(5 483 531)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gains and losses on property revaluation	18 892 181	-
Income tax relating to items that will not be reclassified	(4 231 849)	-
Total items that will not be reclassified to profit or loss	14 660 332	-
Other comprehensive income for the period net of taxation	14 660 332	-
Total comprehensive income/(loss) for the period	12 263 607	(5 483 531)
Total comprehensive income/(loss) for the period attributable to:	12 263 607	(5 483 531)
Owners of the parent	12 263 607	(5 483 531)
Non-controlling interest	-	-
Net loss for the period attributable to:	(2 396 725)	(5 483 531)
Owners of the parent	(2 396 725)	(5 483 531)
Non-controlling interest	-	-
Loss per share (cents)		
Basic loss per share	(2 396 725)	(5 483 531)
Diluted loss per share	(2 396 725)	(5 483 531)
Basic loss per share (post sub-division)	(1.19)	(2.74)
Headline loss per share (cents)		
Basic headline loss per share	(2 396 725)	(5 483 531)
Diluted headline loss per share	(2 396 725)	(5 483 531)
Basic headline loss per share (post sub-division)	(1.19)	(2.74)
Weighted average number of shares in issue	100	100
Weighted average number of shares in issue (post sub-division)	200 000 000	200 000 000

Profit Forecast

The profit forecasts of PL Group are presented for the years ending 31 December 2017 and 31 December 2018. The full set of assumptions relating to the profit forecast are contained in Annexure 7 of the Prospectus.

	31 December 2017	31 December 2018
Revenue	68 558 960	135 617 381
Operating expenses	(69 161 737)	(106 644 002)
(Loss)/Profit before interest, taxation depreciation and amortisation	(602 778)	28 973 379
Amortisation	-	-
Depreciation	(765 968)	(1 459 631)
(Loss)/Profit before interest and tax	(1 368 745)	27 513 748
Interest received	-	-
Interest paid	(4 986 268)	(9 518 011)
(Loss)/Profit before taxation	(6 355 103)	17 995 737
Taxation	1 779 404	(5 038 806)
Net (loss)/profit after taxation	(4 575 610)	12 956 931
Other comprehensive income	33 678 400	-
Revaluation of properties to fair value	43 400 000	-
Deferred taxation	(9 721 600)	-
Total comprehensive income	29 102 790	12 956 931
Total comprehensive loss for the year attributable to:		
Owners of the parent	29 102 790	12 956 931
Non-controlling interest	-	-
Net (loss)/profit for the year attributable to:		
Owners of the parent	(4 575 610)	12 956 931
Non-controlling interest	-	-
Net (loss)/profit after taxation	(4 575 610)	12 956 931
Headline earnings adjustment – impairment of property	1 500 000	-
Headline (loss)/earnings	(3 075 610)	12 956 931
Share in issue (assuming fully diluted)	353 000 000	353 000 000
(Loss)/Earnings per share (cents)	(1.30)	3.67
Headline (loss)/earnings per share (cents)	(0.87)	3.67

5. PROSPECTS

The Directors of the Company believe that the Group has excellent prospects based on the following:

- PL Group has an experienced, well-balanced, innovative and well-motivated management team;
- Difficulties in the public education sector provides opportunity for growth in private education;
- Executive team has proven project management and execution skills to deliver on the expansion of the business;
- Research indicates that there is adequate market demand for quality and affordable schooling in South Africa;

- PLG Schools is experiencing high growth rates off a low occupancy base and a number of approaches relating to excellent properties, well suited for conversion into schools;
- PLG Schools aims to have 40 schools by 2020 and is focussed on delivering quality, affordable education in well located areas, addressing a real need in South Africa;
- The business is centrally managed and the head office function controls the finances, with the schools being able to focus on education;
- PLG Properties has been able to source properties at prices well below the traditional cost of establishing or acquiring a private school and PLG Schools is nimble, able to roll out new schools within a year of securing properties;
- The listing will provide additional access to capital to enable the group to grow more quickly than remaining private or having to rely on bank funding.

6. AUTHORISED AND ISSUED SHARE CAPITAL

The authorised and issued share capital of the Company as at the last practicable date is as follows:

Authorised share capital

1 000 000 000 ordinary Shares of no par value

Issued stated capital

203 000 000 ordinary Shares of no par value

The authorised and issued share capital of the Company on the date of listing, assuming that the Private Placement of 140 000 000 new Shares is fully subscribed and noting that a portion of the shareholder loan will be capitalised through the issue of 10 000 000 Shares at an issue price of 100 cents per share, will be as follows:

Authorised share capital

1 000 000 000 ordinary Shares of no par value

Issued stated capital

353 000 000 ordinary Shares of no par value

The remaining authorised and unissued Shares, after the Private Placing, will be under the control of the Directors of the Company, subject to the provisions of the MOI, the Act and the JSE Listings Requirements.

There are no treasury Shares held as at the last practicable date. All of the authorised and unissued Shares (including those to be issued in terms of the Prospectus) are of the same class and rank equally in every respect, including rights to dividends, profits or capital, rights on liquidation or distribution of capital assets. In accordance with the Act, issued Shares must be fully paid up and the securities to be listed are freely transferable.

Any variation of rights attaching to the ordinary Shares will require the consent of shareholders in general meeting in accordance with the MOI of PL Group. There have been no previous offers of Shares by PL Group to members of the public.

7. DIRECTORS

Executive

Andrew McLachlan (50)

Nationality	South African
Business address	111 9th Street, Fairland, Randburg, 2030
Appointment date	5 November 2013
Qualifications	B.Sc Construction Management UOFS
Occupation	Group CEO
Position in Company	Chief Executive Officer

Riaan van Jaarsveld (54)

Nationality	South African
Business address	111 9th Street, Fairland, Randburg, 2030
Appointment date	1 October 2016
Qualifications	B. Com; B Com Hons CTA; CA (SA)
Occupation	Financial Director
Position in Company	Group Financial Director

Non-Executive

Lou Brits (70)

Nationality	South African
Business address	111 9th Street, Fairland, Randburg, 2030
Appointment date	7 October 2016
Qualifications	BA
Occupation	Businessman
Position in Company	Independent Non-Executive Chairman

Christo Hechter (52)

Nationality	South African
Business address	111 9th Street, Fairland, Randburg, 2030
Appointment date	5 November 2013
Qualifications	B.Proc
Occupation	Businessman
Position in Company	Non-Executive Director

Grant Waters (51)

Nationality	South African
Business address	111 9th Street, Fairland, Randburg, 2030
Appointment date	7 October 2016
Qualifications	D.E. (S.P) HDE (Ac.Spec.) Rhodes University
Occupation	Educator
Position in Company	Independent Non-Executive Di

Barry Moyo (64)

Nationality	South African
Business address	9 Jukskei Road, Kelland, Randburg, 2194
Appointment date	7 October 2016
Qualifications	M.A. Accounting and Finance-Lancaster University (United Kingdom), B. A. Economics (Honours)-Ealing College (United Kingdom), CA (Zimbabwe)
Occupation	Financial and business consultant
Position in Company	Independent Non-Executive Director

8. SALIENT DATES

2017

Date on which the Private Placement (comprising the Private Placing and Preferential Offer) contemplated in the Prospectus will be open at 09h00 on	Thursday, 9 March
Date on which the Private Placement (comprising the Private Placing and Preferential Offer) contemplated in the Prospectus will close at 12h00 on	Friday, 24 March
Date on which shareholders will be advised of their allocations	Monday, 27 March
Date on which funds will be debited from shareholders' accounts or payments made into the Company's bank account	Tuesday, 28 March
Date on which the results of the Private Placement will be released on SENS	Wednesday, 29 March
Date on which shares will be allocated to shareholders' accounts	Friday, 31 March
Listing of securities on the JSE at 9h00 on	Friday, 31 March

A copy of the prospectus can be obtained from:

- the head office of the company in Johannesburg; or
- the Designated Advisor in Johannesburg; or
- on the company's website at www.plgschools.co.za.

BY ORDER OF THE BOARD

Johannesburg

9 March 2017

Designated Advisor

Arbor Capital Sponsors



Auditor and Reporting Accountants

Moore Stephens FRRS Incorporated

MOORE STEPHENS

Attorney

Paul Barnard Incorporated

PAUL BARNARD

INCORPORATED / INGELYF

(Registration No: 2003/018464/21)

ATTORNEYS & CONVEYANCERS



Independent Property Valuer

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