
APPLICATION FOR PRACTITIONER'S LISENCE

JUSTIN DU PREEZ

SARIPA MEMBERSHIP ID: D078

INVOLVEMENT IN BUSINESS RESCUE AND TURNAROUND

PRACTICE

1. PERSONAL INFORMATION, QUALIFICATIONS, MEMBERSHIP

NAME AND SURNAME: JUSTIN DU PREEZ

DATE OF BIRTH: 24/10/1998

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MEMBERSHIPS: SARIPA (2023) Membership ID: D078

FORMAL QUALIFICATIONS	UNIVERSITY / ENTITY	DATE COMPLETED
BA COMMUNICATION DEGREE	UNIVERSITY OF POTCHEFSTROOM / NWU	2020
SLP BUSINESS RESCUE	UNIVERSITY OF JOHANNESBURG	2022

2. HISTORY AND EXPERIENCE ENGAGING IN BUSINESS TURNAROUND PRACTICE

I have 2-3 years of relevant hands on experience in the managing and application of business rescue proceedings: This includes

- Business Rescue Practices – March 2021 – Current
Communication and Administration Officer – Absolute Business Rescue (Pty) Ltd.

In order to demonstrate my experience, details are provided under the section to follow.

ABSOLUTE BUSINESS RESCUE (PTY) LTD

I started working at Absolute Business Rescue in March 2021 as the communications and administrative officer and later on completed my SLP Business Rescue course at the university of Johannesburg. I have been actively involved in multiple business rescue appointments with the director of Absolute Business Rescue (Pty) Ltd. The following information includes the companies that commenced with business rescue and where I was actively involved in.

	BUSINESS RESCUES	REFERENCE NUMBER:	COMMENCEMENT DATE	OUTCOME
1	ASATICO CIVIL AND CONTRUCTION (PTY) LTD			No reasonable prospect of saving the company.
2	SATeacher (PTY) LTD	112019934	11 December 2020	No Reasonbale Prospect of Saving the Company – <i>06 September 2023</i> (LIQDUIATDATION ORDER GRANTED)
3	SLIPPERY SPOON KITCHEN CC	112024705	07 January 2021	Business Rescue Plan Adopted - <i>28 April 2021</i> - Successful
4	ECO-MATCH (PTY) LTD	112024703	12 January 2021	Business Rescue Plan Adopted on <i>09 May 2022</i> - In Implementation.
5	JAYSHALJAIMINESHA (PTY) LTD	112073381	03 June 2021	Compromise was reached with relevant Creditors - No Plan was published - Successful
6	SILOCON (PTY) LTD	60000059154	30 August 2021	No Reasonable Prospect of Saving the Company - <i>26 October 2021</i> (LIQUIDATION ORDER GRANTED)
7	BETANOPHASE (PTY) LTD	60000116791	11 February 2022	No Reasonable Prospect of Saving the Company – <i>03 October 2023</i> LIQUIDATION ORDER GRANTED)
8	BOTENKO (PTY) LTD	60000123282	04 March 2022	No Reasonable Prospect of Saving the Company – <i>27 March 2023</i> (LIQUIDATION ORDER GRANTED)
9	URBAN DYNAMICS GAUTENG INCORPORATED	60000130478	29 March 2022	Business Rescue Plan Adopted - <i>29 September 2022</i>
10	MOGUL ENGINEERING (PTY) LTD	60000157401	15 July 2022	Business Rescue Plan Adopted on <i>16 August 2023</i> - In Implementation
11	SIBATHATHU CONSTRUCTION (PTY) LTD	60000182041	22 September 2022	Business Rescue Plan Adopted - <i>03 February 2023</i> – Successful

12	WENTZEL LONG HALL CC	60000197058	22 November 2022	Currently Active
13	TRRC NUTRITION (PTY) LTD	60000199324	29 November 2022	No Reasonable Prospect of Saving the Company – <i>16 May 2023</i> (LIQUIDATION ORDER GRANTED)
14	BAHOLOANE BUSINESS ENTERPRISE (PTY) LTD	60000453690	16 January 2023	No Reasonable Prospect of Saving the Company
15	GWAZNI QUEENS FARMING CC	60000727514	11 July 2023	Currently Active
16	HIGH FREQUENCY HEATING SOUTH AFRICA (PTY) LTD	60000735373	17 July 2023	No Reasonable Prospect of Saving the Company
17	MEGA BITES CC T/A HENDRIK'S PANELBEATER CC	60000744178	18 August 2023	Currently Active
18	CEREAL SERVER (PTY) LTD	60000747646	28 August 2023	Currently Active

1. ASATICO CIVIL AND CONSTRUCTION (PTY) LTD - (LIQUIDATION)

Asatico Civil and Construction is a construction company with several construction related contracts. Covid-19 lockdown regulations and economic climate prevented the company from working on various sites and receiving income.

Government departments and municipality outstanding payments of ±R15m for work completed were not received (due for more than 2 years). Combination of the above resulted in cashflow challenges and outstanding creditors of ±R20m that could not be serviced. That included asset finance loans

OUTCOME:

BR plan was based on new lucrative contracts that the company tendered for and the collection of outstanding debt from government departments to settle historic debt. Disposal of unencumbered assets (property) in order to settle outstanding creditors. Legal Action had to be implemented against government for monies owed. Actions are being defended by SOE's

Valuation were performed on assets. Disposal of unencumbered assets could not be realised (unsellable owing to the location of property) Consent had to be provided to financial institutions to retrieve assets. The lack of income and non-payments of government departments led to the winding up of the company.

2. SATEACHER (PTY) LTD - 112019934 (LIQUIDATION)

SATEACHER, amongst others provides educational supplies, e-learning solutions and teacher training to schools and educational institutions; As a result of the Covid-19 pandemic and subsequent lockdown implementation, including at all schools and educational institutions, the Company could not continue its business operations or deliver on goods and services that were ordered / requested.

A number of educational institutions also requested refunds for deposits paid on educational supplies; As a result of the above factors, the Company became financially distressed and is experiencing severe cash-flow challenges; The Company cannot service its debts as it becomes due and payable.

OUTCOME:

The business rescue plan was premised on the following;

New contracts and orders from schools and educational institutions from beginning February 2021. A substantial VAT refund from SARS that was owed to the Company and incorrectly recalled by SARS. A potential investor in the Company was identified that would assist with cash injection in order to procure stock and cover operational expenses.

None of the above initiatives materialized and the business rescue plan could not be compiled. The winding up of the company has been granted and the company has been placed in liquidation.

3. SLIPPERY SPOON KITCHEN CC – 112024705 (PLAN ADOPTED ON 28 APRIL 2021 - SUCCESSFUL)

Slippery Spoon Kitchen CC is a bespoke catering company that specialises in preparing creative foods for weddings, private gatherings and corporate events.

As a result of the Covid-19 pandemic and subsequent lockdowns levels and regulations, particularly with regards to the closure of restaurants, restrictions on corporate and public events, weddings and other private gatherings, the Company could not continue its business operations or execute planned events. A number of clients requested refunds for deposits paid on forthcoming events which had to be postponed indefinitely.

International clients that booked events and weddings also had to cancel owing to the restriction and termination of flights to and from South Africa. Furthermore, owing to the uncertainty and amendments to lockdown levels and restrictions, clients were hesitant to book events. This had a direct impact on business operations and revenue generation.

As a result of, the Company started experiencing cashflow challenges as is still had debt and/or creditors to service with minimal income.

OUTCOME:

The Business rescue plan was premised on receiving PCF to fund the company as well as continued business operations in terms of current and future events.

PCF was obtained and the company's business rescue plan was published on 14 April 2021. Creditors approved the business rescue plan on 28 April 2021.

Creditors were settled and the implementation of the business rescue plan was monitored for three months.

Notice of termination of the business rescue proceedings was lodged at CIPC (substantial implementation of the business rescue plan).

4. ECO-MATCH (PTY) LTD – 112024703 (PLAN ADOPTED ON 09 MAY 2022 - SUCCESSFUL)

Eco-Match is a crushing and screening service provider specialising in the provision of mobile crushing and screening equipment and associated services predominantly in the mining, industrial and construction sectors.

As a result of the Covid-19 pandemic and subsequent lockdown levels and regulations, including that of the mining and construction industries, the Company could not continue its business operations or complete contracted projects.

Furthermore, at the same time (end of March 2020) one of the main contracts (Road Development Tender) that Eco-Match (PTY) LTD was a sub-contractor for, was set aside by the Northern-Cape High Court owing to irregularities between the two main parties. This was of no fault of Eco-Match as our Company was appointed as a sub-contractor to do the work.

As a result, the Company has not yet been paid for the work done on this project. Litigation is ongoing on this matter; The uncertainty as well as amendments to lockdown levels and restrictions made it extremely difficult to procure new business or clients. Infrastructure development tenders have been put on hold for the majority of last year. This had a direct impact on business operations and revenue generation.

As a result, the Company started experiencing cashflow challenges as it still had debt and/or creditors and staff members to service with minimal income.

OUTCOME:

The business rescue plan was adopted on 09 May 2022. The business rescue plan is still in implementation and notice of substantial implementation (Cor125.3) will only be submitted once payment to creditor has been completed (as per creditor request). All payments have been made as per BR-plan and is set to end on or before 07 January 2024.

The business rescue plan focused on the collection of historical debt and the continuation with current contracts that needed to be serviced. New contracts have also been rewarded to the company after the business rescue plan was adopted.

5. JAYSHALJAIMINESHA (PTY) LTD – 112073381 (SUCCESSFUL)

Jayshaljaiminesha (Pty) Ltd is a coffee shop located at Tygerhills Office Park that specialises in serving to its clientele a distinct brand of coffee and a selection of food and dishes using the finest and freshest ingredients.

As a result of the Covid-19 pandemic and subsequent lockdown levels and regulations, particularly with regard to the closure of restaurants and the restriction on the number of persons that may be seated in the restaurant, the Company could not continue its business operations to its optimum level.

Furthermore, owing to the uncertainty and amendments to lockdown levels and restrictions, as well as the current rising number of positive Covid-19 patients, patrons are still hesitant to visit restaurants and Coffee Shops. This has a direct impact on business operations and revenue generation.

As a result of the above, the Company started experiencing cashflow challenges as it still had debt and/or creditors to service with minimal income.

As a small business the company had quite a significant impact on the regulations of COVID-19.

OUTCOME:

Subsequent to the First Meeting of Creditors held on 25 June 2021, the business rescue practitioner was able to reach a compromise with the creditors of the company. Settlement payments were made to the various creditors in accordance with the relevant agreements.

As a result of the above and the fact that all debt of the company has been settled, a business rescue plan was not published and business rescue proceedings were terminated.

6. SILOCON (PTY) LTD – 60000059154 (LIQUIDATION – 26 OCTOBER 2021)

SILOCON is a civil construction company that specialises mainly in the building and manufacturing of silos. This includes silo foundations, elevator pits, cleaner bases, trenches, intake pits and steel structures.

The company performs related earthworks, form work and concrete work. As a result of the Covid-19 pandemic and subsequent lockdown levels and prescribed regulations, including for construction companies, the Company could not continue its business operations or complete contracted projects.

This impacted negatively on the Company's operations as income could not be generated for the duration of Level 5 and Level 4 lockdown periods. The uncertainty around the Covid-19 pandemic

as well as amendments to lockdown levels and restrictions made it difficult to procure new contracts or clients.

Infrastructure development tenders had also been put on hold for the majority of 2020. This had a direct impact on business operations and revenue generation. Furthermore, major clients (debtors) within the agriculture sector had experienced the economic impact of droughts and subsequent crop failures and were/ are unable to pay the Company for work completed. This added to the financial challenges that the Company experienced.

OUTCOME:

The company's specialization in silo construction for agricultural clients drove rapid growth but also brought cash flow challenges due to an inability to manage increasing project demands and insufficient initial deposits, leading to fund reallocation between projects. Over-capitalization and cash flow constraints worsened the situation.

Investigations highlighted the necessity for additional funding to sustain ongoing projects and cover monthly overheads. Disputes over progress payments and the cancellation of a significant construction contract compounded their financial woes. With construction contracts time-sensitive and the inability to pay salaries and obligations, arrangements were made with clients for direct expense coverage, deducting these from future payments to the company.

Despite efforts to explore various alternatives and secure necessary investments, the company ceased trading. The business rescue practitioner, after failed attempts to collect due payments or attract the required investment, concluded that the company could not continue trading or be rescued. Consequently, the company liquidation was granted on 26 October 2021.

7. BETANOPHASE (PTY) LTD – 60000116791 (LIQUIDATION – 30 OCTOBER 2023)

Betanophase owns a block of residential apartments situated at 82 Eastwood Street, corner Eastwood and Sworder streets, West Turffontein, JHB and these apartments are occupied by tenants in terms of rental agreements. The Company has been experiencing difficulties over the past 18 to 24 months to collect monthly rent from tenants.

Interventions implemented to date have been fruitless. Betanophase's main creditors such as TUHF, COJ, Egoli Gas, Sirius Property Investments cannot be serviced owing to rental income being insufficient to cover the above expenditure. The Company started experiencing severe cashflow problems as it still had creditors, service providers and statutory payments to make on a monthly basis with minimal income.

The cashflow challenges are also impacting negatively on completion of projects earmarked for the residential property as well as general maintenance associated with the block of apartments;

OUTCOME:

The Eastwood building in Turffontein was firstly advertised and set to be sold to any interested private buyers, however with no interested buyers the property was instead placed on a public auction. Tenants of the building has also illegally bypassed the electricity meter.

The day of the auction interested buyers were only allowed to do a drive by inspection (as per auction house request) of the building as tenants were very hostile. The Company managed to get one interested buyer for the purchase of the building. All documents for the purchase were signed by the relevant parties, were after the prospective buyer retracted his offer to purchase.

The buyer indicated that some information regarding the purchase of the Eastwood building was not shared prior to the auction.

The purchase has not been successful. The business rescue practitioner therefore does not believe that there is any reasonable prospect of saving the Company and a application for the final winding up of the Company has been brought forward. Liquidation proceedings was confirmed on 03 October 2023.

8. BOTENKO (PTY) LTD – 60000123282 (LIQUIDATION – 27 MARCH 2023)

BONTENKO BUSINESS ENTERPRISE (PTY) LTD is a BBB-EE level 1 multidisciplinary engineering contracting company that was established in 2014. Services, amongst others, include: Electrical & Instrumentation Construction Services; Bulk Electrical Infrastructure Development; Electrical maintenance Services to domestic and industrial buildings; Electrical Substation maintenance works: Panel Repairs, Servicing MV Switch gears including projects; Instrumentation projects: wiring of junction boxes and panels; supply and installation of pressure and temperature transmitters; tubing and cabling (power and signal).

As a result of the Covid-19 pandemic and subsequent lockdown levels and prescribed regulations, including for construction and infrastructure development companies, the Company could not continue its business operations or complete contracted projects. This impacted negatively on the Company's operations as income could not be generated for the duration of Level 5 and Level 4 lockdown periods. The uncertainty around the Covid-19 pandemic as well as amendments to lockdown levels and restrictions made it difficult to procure new contracts or clients. infrastructure development tenders had also been put on hold for the majority of 2020 and 2021.

This had a direct impact on business operations and revenue generation. Furthermore, major clients of the Company could also not pay their debt and / or cancelled existing contracts.

OUTCOME:

The business rescue plan initially relied on three sources of revenue to pay creditors:

- The sale of a specific immovable asset (Erf 2340, Evander Ext 5).
- Continuing operations with the current contract in collaboration with a joint venture partner.
- Securing new projects and contracts with the joint-venture partner.

However, after the plan was published, several issues arose:

The sale of the immovable property, which was in the director's name, could not proceed as it had been ceded to a creditor before the business rescue process. The director had signed personal surety, including the property, without prior knowledge. Post-rescue SARS liabilities exceeding R300,000 could not be settled due to a lack of cashflow, resulting in non-compliance.

VAT clawback and Company income tax, which were not initially included in the Income statement, were recalculated and showed that the Company would incur losses in years 1 and 2.

SARS, as a creditor, voted against the approval of the plan, further complicating the situation. Given these challenges, the Company still lacked the necessary cashflow to meet existing overheads and pay creditors. Liquidation order granted on 27 March 2023.

9. URBAN DYNAMIC GUATENG INCORPORATED – 60000130478 (PLAN ADOPTED – 29 SEPTEMBER 2022 - SUCCESSFUL)

The main object of the Company is to carry on the business of town planning and implementation, project development and construction, particularly subsidized housing. The Company has completed many successful and profitable projects since its establishment in 1996. These projects include developments in Winterveld, Kudube, Slovoville, Hospital Hills, Glenred, Botohong, Bluegumview/Duduza, Palm Ridge, Etwatwa, Villa Liza and others. The Company has a proven track record. The Company managed to construct and complete more than 60 000 (Sixty Thousand) subsidized houses (RDP houses) despite experiencing delays in payment since 2005.

Several factors contributed to the fact that Company became and is currently financially distressed as envisaged in terms of the Act. These include, inter alia: During January 2021, the City of Johannesburg informed the Company that it no longer has any subsidies available and that all construction at Lufhereng must be halted. This was pivotal as Lufhereng was the main source of income, whereafter all operations soon grinded to a halt; The delayed payments by Gauteng Department of Human Settlement were not sufficient to cover operational costs and the working capital required; Due to delayed payments in the amount of approximately R 50 million by various Government Departments, the company funded the Lufhereng project out of its own cash flow; Rand Water is in arrears by more than 120 days with its payments to the Company in the amount of R 93 million. The Company obtained a judgment against Rand Water; however, it is currently on appeal; The effects of the Covid-19 pandemic and the stringent lockdown regulation in the construction industry; The negative impact on the Company's cash flow is evident, resulting in the Company not being able to meet its current liabilities and paying its trade creditors over the ensuing six months.

The Company and its creditors' interest will be better served by a restructuring and organisation of its financial affairs and to negotiate restructured payments to creditors, which will be best achieved under the umbrella of business rescue proceedings as envisaged in terms of the Act.

Indirectly, the Company's financial affairs may also be better served by the intervention of a Practitioner in that a third party may be better suited to facilitate an amicable solution for all parties concerned.

OUTCOME:

The Company is financially distressed in that its liabilities exceed its assets, and its income has decreased substantially. It appears to be reasonably unlikely that the Company will be able to pay all of its debts as they become due and payable within the immediately ensuing six months.

Trading activities ceased during the course of 2021. This was largely due to the cashflow problems that it experienced due to a non-performing debtor's book and cancellation of low cost housing subsidies due to lower government spending.

The majority of the company's workforce has been retrenched. Although partial payment of the retrenchment packages was made, the employees remain some of the Company's largest creditors.

The plan sets out the reasons for the Company's financial distress and makes proposals to creditors to rescue the Company. The main aim of this plan is to place the Company in a position to continue trading, thereby settling its debts from trading income. This plan caters for the manner in which the Company will be treated if it is unable to continue trading.

The business rescue plan was formally adopted by the majority of creditors on 29 September 2022 with creditors receiving hundred cents in the rand.

**10. MOGUL ENGINEERING (PTY) LTD - 60000157401 (PLAN PUBLISHED ON 16 AUGUST 2023
- IN INIMPLEMENTATION)**

Mogul Engineering is a company that provides a broad range of services to various clients, particularly in the engineering industry. Services include, amongst others, manufacturing of material handling equipment, manufacturing and installation of outdoor billboards including outdoor LED screens, fabrication and installation of structural steelwork for warehouses and conveyers as well as and other civil and structural engineer work as required by clients.

As a result of the Covid-19 pandemic in 2020 and subsequent lockdown levels and prescribed regulations, including for manufacturing and construction companies, the Company could not continue its business operations or complete contracted projects. This impacted negatively on the Company's operations as income could not be generated for the duration of Level 5 and Level 4 lockdown periods. The uncertainty around the Covid-19 pandemic as well as amendments to lockdown levels and restrictions made it difficult to procure new contracts or clients. Manufacturing and engineering projects had also been put on hold for the majority of 2020. This had a direct impact on business operations and revenue generation. Projects for the manufacturing and installation of outdoor billboards for marketing purposes also declined drastically owing to customers cutting their advertising and marketing budgets in light of the depressed economy.

As a result of the above, the Company started experiencing severe cashflow problems as it still had creditors, service providers, employees and statutory payments to make on a monthly basis with minimal income. The cashflow challenges have a direct impact on the completion of current and future projects as it has become extremely problematic to procure construction materials and pay critical service providers in the value chain.

OUTCOME:

A Second Meeting of Creditors was held on 29 November 2022 where 70% of creditors voted in favour of the business rescue plan. However, prior to SARS voting for the plan, they requested additional information regarding the Company's cash flow projections which would enable them to confirm their vote and therefore the meeting was adjourned until further notice. The necessary information was provided to SARS.

Owing to the Festive Season and the unavailability of many creditors to meet during that time, the proceedings were carried over to the new year.

Subsequent to the publication of the plan and Second Meeting of Creditors a number of events ensued which had a severe negative effect on the Company's cashflow and as a result on the proposed business rescue plan. These events are:

Break-in on the premises towards the end of December 2022 – theft and damages; Vandalising of the electricity sub-station / box closest to the premises resulting in the Company not having any electricity for a number of days – loss of productivity; The City of Ekurhuleni (CoE) disconnected the Company's electricity during the second week of January 2023 for the arrears owed to them prior to business rescue (± R383 000,00). Despite several communications and discussions between the BRP and CoE as well as explanations regarding business rescue proceedings, they refused to reconnect the electricity. Mogul Engineering had to utilise all its cashflow to pay CoE and make a six-month payment arrangement in order to reconnect electricity and continue business operations. The unplanned expenditure impacted negatively on available cashflow and procurement of material for projects. As the Company no longer has any credit facilities, all material must be purchased cash-on-delivery.

Post Commence Finance obtained during the course of last year has not been paid back in full as a result of the above and therefore the proposed business rescue plan's disbursements to creditors had to be postponed and reduced. Since publication of the previous plan, PCF has been paid in full.

SARS post-business rescue liabilities were finally determined as at end June 2023 after all returns were submitted by the Company. An amount of R 2 479 930.03 is payable. This debt is seen as post-commencement finance and cannot be compromised. Allowance for the above had to be made as part of payment to the Company's creditors.

The finalisation of the above process resulted in the BRP having to delay the finalisation of the plan. The Company continues to quote and complete work for various companies. The outlook remains positive.

A resumed second meeting of creditors was held on 16 August 2023 where creditors formally voted and accepted the proposed business rescue plan. The business rescue plan is currently being implemented. Substantial implementation of the business rescue plan will be processed in due course.

11. SIBATHATHU CONSTRUCTION (PTY) LTD - 60000182041 (PLAN PUBLISHED ON 03 FEBRUARY 2023 - SUCCESSFUL)

Sibathathu Construction is a company that provides a range of services to various clients, particularly in the construction industry. Services include, amongst others, reinforced concrete work, structural steelwork, Earthworks, operational civil works, material handling etc. The Covid-19 pandemic in 2020 and subsequent lockdown levels and prescribed regulations, including for manufacturing and construction companies, had a significant impact on the Company's business operations as it could not continue with or complete contracted projects. Limited revenue could be generated during this time period.

Towards the end of 2021 new project contracts were obtained, however, it was not sustainable enough to recover from the losses of the previous year. Current contracts of the company as well as those for FY2021/22 fluctuated in terms of timelines and completion resulting in the Company

not having projects or work for two or three consecutive months in the year. The Company was not generating revenue in the "down" months, however, it still had to service monthly overheads, staff salaries, statutory payments and creditors.

Furthermore, one of the Company's directors, Mr JF Knipe passed away in August 2021 and this had a significant negative impact on continued business operations and management implementation of projects. As a result of the above factors, the Company started experiencing severe cashflow problems as it still had current expenditure as well other outstanding liabilities to service with minimal income.

OUTCOME:

The proposed business rescue plan is premised on the following strategic outcomes:

To continue business operations in terms of long-term contracts and projects-based work. The Company has new additional work that generated from January and the start of February. The Company has long term contracts with Sasol and has the potential to procure more contracts towards the end of March 2023.

Another strategic outcome is looking at Joint venture with strategic partners. The company has already broadened their scope with Vapor- and Sponge-blasting and there is potential to extend these services to other companies is terms of a joint-venture.

Funding through a BBBEE partner. The current BBBEE partner will be retiring during the course of the year, thus the business rescue practitioner and the company is in negotiations with a potential BBBEE partner.

The implementation of enhanced business processes and procedures have taken place including cost-cutting which included cutting unnecessary costs in order to streamline the business operations.

The total amount for creditors amounts to R 16 886 091.27 in total. Secured creditors amount to R 7 435 252.09 and concurrent creditors to R 7 539 653.22. Other creditors that have not submitted claims but are reflected in the business rescue plan amounts to R 1 432 848.41.

The business rescue plan was successfully adopted by a majority of creditors on 03 February 2023 and was subsequently substantially implemented, thus business rescue proceeding has concluded.

12. WENTZEL LONG HALL CC – 60000197058 (IN PROGRESS)

Wentzel Long Hall is a transport company that provides a range of services to various clients. Services include, amongst others, transport of coal, minerals, construction materials, asphalt, etc for short or long haul depending on the contract. The Covid-19 pandemic in 2020 and subsequent lockdown levels and prescribed regulations, including for transport companies, had a significant impact on the Company's business operations as it could not continue with or complete contracted projects. Limited revenue could be generated during this time period. During the course of 2021 new contracts were obtained, however, it was not sustainable enough to recover from the losses of the previous year. In order to procure new contracts the Company's fleet of trucks and trailers had to be in prime condition. Ongoing maintenance and repairs to the assets also had to be attended to.

In this regards the Company had to purchase, amongst others, new tyres for the trucks as well as parts and equipment to ensure that the fleet is in good condition. As the Company already had cashflow challenges it could not lay out the R3 million in cash to purchase these items. As a

result the items had to be purchased on credit and/or on a bank loan account I overdraft. With the fleet being in a better condition after maintenance and repairs, the Company could not procure enough transport contracts to pay all service providers and creditors.

Furthermore, the Company is awaiting insurance pay-outs for a trailer that was stolen as well as cargo worth ± R500 000,00. Also a truck and trailer to the value of ± R 1 000 000, 00 were hijacked, however, issues with the tracking system is delaying the finalisation of the claim with the insurance company.

As a result of the above factors, the Company has severe cashflow problems as it still has current expenditure as well other outstanding liabilities to service with minimal income.

OUTCOME:

Wentzel Long Hall initiated voluntary business rescue proceedings on November 16, 2023, which were registered and confirmed by CIPC on November 22, 2022, with the appointment of Christelle Keevy as Business Rescue Practitioner. The Company's financial distress stemmed from several factors, including the significant impact of the Covid-19 pandemic and subsequent lockdown measures in 2020, which disrupted contracted projects and revenue generation. Although the Company secured new contracts in 2021, it wasn't enough to recover from previous losses.

Maintenance and repairs to the Company's fleet were essential for procuring new contracts, leading to expenses that couldn't be covered due to existing cashflow challenges. As a result, items were purchased on credit and/or bank loans, further straining the Company's financial situation. In addition, delays in insurance payouts for stolen assets and hijacked vehicles worsened cashflow issues. Business rescue proceedings aimed to generate revenue through strategic partnerships and the disposal of assets to repay creditors. The termination of an agreement with Heavyweight Capital Carriers and the sale of encumbered assets reduced liabilities.

Despite efforts to secure new contracts and funding, the Company faced insurmountable challenges, including creditor demands and unresolved insurance claims. Ultimately, the Business Rescue Practitioner concluded that the Company couldn't continue trading, leading to the decision to wind up the Company.

13. TRRC NUTRITION (PTY) LTD – 60000199324 (LIQUIDATION – 16 MAY 2023)

TRRC NUTRITION (PTY) LTD is a company that manufactures and distribute high quality nutritional products. TRRC Nutrition has their own brands but also manufactures products on behalf of other companies and entities. The Covid-19 pandemic in 2020 and subsequent lockdown levels and prescribed regulations, including for the retail, hospitality and mining industry, had a significant impact on the Company's business operations as it could not continue with or complete contracted projects. Due to the county-wide uncertainty regarding the pandemic and overall depressed economy, limited revenue could be generated over a ±18-months period. During the course of 2021 some new contracts were obtained, however, it was not sustainable enough to recover from the losses of the previous year.

The contracts/ projects that the Company received also reduced in volume i.e. those companies that usually contracted with RTTC Nutrition reduced their orders significantly owing to their own budget restraints. Furthermore, towards the middle of 2022, the Company's factory supervisor resigned. Subsequent to his departure the Company became aware of several irregularities including theft and the utilisation of the Company's factory and assets

for his own side-line business operations. The individual further removed all debtors and account information from the Company's system resulting in RTTC Nutrition nohaving access to crucial information to collect outstanding monies from clients. As a result of the above factors, the Company's existing cashflow problems escalated to critical levels as it still had current expenditure as well other outstanding liabilities to service with minimal income.

OUTCOME:

Unable to generate new contracts within business rescue proceedings the business rescue practitioner does not see any reasonable prospect of saving the company.

An application for the final winding up of the company was brought.

14. BAHOLOANE BUSINESS ENTERPRISE (PTY) LTD – 60000453690 (LIQUIDATION APPLICATION)

BAHOLOANE BUSINESS ENTERPRISES is a company that provides plumbing and related services to various clients and on contractual and non-contractual basis. The Covid-19 pandemic in 2020 and subsequent lockdown levels and prescribed regulations, had a significant impact on the Company's business operations as it could not continue with or complete contracted projects. Due to the county-wide uncertainty regarding the pandemic and overall depressed economy, limited revenue could be generated over a ±18-months period.

During the course of 2021 some new contracts were obtained, however, it was not sustainable enough to recover from the losses of the previous year. The contracts I projects that the Company received also reduced in work allocated i.e. the entity that contracted with Baholoane reduced their work orders significantly. As a result of the above factors, the Company's existing cashflow problems escalated to critical levels as it still had current expenditure as well other outstanding liabilities to service with minimal income.

OUTCOME:

During the investigation into the affairs of the company the following matters transpired: 5.1 Several returns in terms of VAT, PAYE, CID were not submitted to SARS which created a backlog and a final pre and post rescue tax liability could not be determined.

Some progress was made in submitting the above, however, the 2022 AFS was still not finalised. The Company's accountant also resigned during the business rescue proceedings which contributed to additional challenges with regards to the financial information and submission of outstanding returns. The Company's one contract with Sasol (outside) was also cancelled during business rescue resulting in a further decrease in income. Employees working on this contract could not be paid and had to submit claims as preferred creditors during the proceedings.

The BRP was able to obtain post-commencement finance during the proceedings in order for the company to procure material for their remaining Sasol contract.

The post-commencement finance was not sufficient to continue with the funding process as the return on investment was too low. It was therefore a once-off project. The company is generating between R200 000,00 and R300 000,00 turnover per month with creditors currently at R8 500 000,00.

Another investor was sought that could assist with post-commencement finance. The track record of the Company does not make it feasible for any investor to show interest in providing funding.

Should the Company be able to obtain additional contracts it would still not have enough cashflow to procure material and to pay other obligation such as salaries without funding.

Despite pursuing various alternatives, in conjunction with the directors and other stakeholders of the company, we have been unable to secure any further additional monetary capital investment

or contracts required to continue its business activities. The business rescue proceedings have now reached a point whereby we do not believe that the company is able to continue trading and we do not believe that there is a reasonable prospect to rescue the Company.

We are thus duty bound to wind-up the Company. The hearing for the winding-up of the company is set to take place on 26 January 2024.

15. GWANZI QUEENS FARMING CC – 60000727514 (IN PROGRESS)

Gwanzi Queens, based in Hluhluwe, Kwazulu Natal, is one of the largest and most respected pineapple growers in South Africa. The farm also proud itself as the overall winner in the last four consecutive years as the overall winner in the locally held pineapple farmers growers association. Gwanzi Queens produces pineapples known for the consistent quality, taste and shelve life. Well known national chain stores in the likes of Shoprite Checkers (21 years), Pnp (5 years) are examples of the farm's quality and commitment. Gwanzi Queens also supplies the national fresh produce markets.

During the past two years the farm experienced several natural disasters including severe drought, hail and flooding that impacted directly on the crop and harvesting of the crop. Proceeds from the harvest decreased significantly which had a direct impact on revenue generation.

The farm was also the victim of sabotage by a former manager by forcing young plants to flower by spraying a chemical onto the rap which resulted in a crop of which 85% of the fruit were below the minimum size of 450 grams. The result was that for five months Gwanzi Queens had to buy in pineapples to honour its contracts with the national chains due to the farm not being capable of harvesting and selling 85% of i; own pineapple crop. Input costs and other expenditure related to planting are high and as a result of the sabotage no revenue could be generated for half the year resulting in a significant decrease in gross profit.

The Company already had cashflow challenges owing to the above factors and in order to ensure that it would be able to cover monthly expenditure and input costs for planting of pineapples, Gwanzi Queens had to enter into additional loan agreements to maintain planting of pineapples. Although the loan agreements assisted in the short-term, the cashflow challenges persist as the farm needs to plant and harvest throughout the year. Current income is insufficient to pay cash for supplies and to plant new crops at R165 000,00 per Ha. The Company cannot service its debts as it becomes due and payable.

OUTCOME:

In progress

16. HIGH FREQUENCY HEATING SOUTH AFRICA (PTY) LTD – 60000735373 (LIQUIDATION APPLICATION)

The Company, established in 1986 with 30 years of expertise in Dielectric Heating manufacture, is a globally recognized and certified entity based in South Africa. Their 1500m² facility in Boksburg boasts a comprehensive range of equipment and skilled engineers. Specializing in microwave and radio frequency technology, The Company provides cost-effective solutions to various industries, including timber, plastics, medical packaging, stationery, and food & beverage.

They also offer vacuum formers and blister-sealing machines, pioneering advancements in this field. With a commitment to excellence, The Company delivers comprehensive services from design to tooling and equipment supply, along with exceptional technical support and a well-stocked inventory of spares and consumables.

OUTCOME:

The Company received a liquidation application from the landlord which was later converted to business rescue by court order. The company suffered severe cash-flow. Nevertheless, the Company had a current SARS claim which was ± R200 000, however the company had not submitted their income returns since 2019 and VAT, PAYE, UIF returns from 2021/2022 and 2023 are also outstanding. The landlord has also not been paid for several months and is owed ± R1.6m.

The company does not have any fixed contracts or works orders and the Company is not marketing to obtain new orders.

Having considered and evaluated the information the business rescue practitioner believes that there is no reasonable prospect of saving the Company.

17. MEGA BITS t/a HENDRIK'S PANELBEATER CC – 60000744178 (IN PROGRESS)

Hendrik's Panelbeater's, situated in a rural area of Limpopo, is a leading auto body repairer committed to establishing enduring client relationships. They pride themselves on delivering exceptional, innovative, and personalized services. However, the year 2020 witnessed the onset of the Covid-19 pandemic, accompanied by lockdowns and industry-specific regulations. These disruptions severely impacted the company's ability to fulfill contracted work orders, leading to limited revenue generation.

Furthermore, the owner and member of the company, a vital contributor to its daily operations, fell ill for an extended period. This illness necessitated reliance on other staff members to manage the business effectively. Unfortunately, this situation led to a cascade of unfortunate events, ultimately resulting in a breakdown of operational functionality and a direct negative impact on revenue.

To address these challenges and maintain operational functionality, the company resorted to entering into additional financial agreements and obtaining loans. While these measures provided short-term relief, the company continued to grapple with cashflow constraints.

OUTCOME:

Currently active.

18. CEREAL SERVER (PTY) LTD – 60000747646 (IN PROGRESS)

Cereal Server is a company engaged in the production of various food products, including corn flakes and corn chips. They supply these food items to retailers of all sizes, catering to a wide range of outlets. However, the year 2020 brought forth the Covid-19 pandemic and accompanying lockdowns and regulations, which significantly disrupted the company's operations. They were unable to fulfill contracted work orders during this period, leading to a substantial reduction in revenue.

Subsequently, as operations resumed at full capacity, the company faced labor unrest, with the union (NASA) going on a strike for several months. This unrest not only hindered optimal performance but also incurred additional costs, including temporary staff wages and backpay for unionized staff members.

Moreover, Cereal Server encountered issues with their gas supplier, Novo Energy, leading to a dispute regarding payment and overcharging. This dispute resulted in the gas supplier ceasing to provide gas to the company, directly impacting product manufacturing and revenue generation. Unfortunately, the gas supply issue remains unresolved.

Additionally, the company's packaging supplier, Polyslit Converters, initiated business rescue proceedings in 2023, leaving Cereal Server without the necessary packaging and containers for

their products. Although new packaging can be procured, there is a significant lead-time of approximately two months to obtain the specific packaging required for their products.

Collectively, these factors and a series of events spanning the past two years have plunged the company into severe cashflow problems. Despite ongoing expenses and outstanding liabilities, the company is struggling with minimal income.

OUTCOME:

Currently active

MY INVOLVEMENT IN THE BUSINESS RESCUES

Results-oriented and detail-driven professional with extensive exposure to stakeholder communication and negotiation. Well-versed in organizing meetings with creditors and employees, demonstrating a comprehensive understanding of the Companies Act 71 of 2008 and its practical application. A proactive member of SARIPA (Code D078) actively engaged in continuous learning related to business rescue and turnaround services through conference attendance and case law review. Gained exposure to stakeholder communication and negotiation.

- Gained exposure to stakeholder communication and negotiation, ensuring effective communication with relevant parties.
- Organized meetings with creditors and employees, facilitating productive discussions.
- Demonstrated proficiency in the application of the Companies Act 71 of 2008.
- Actively participated in SARIPA (Code D078), engaging in continuous learning through conferences and case law study.
- Assisted in the preparation of various reports and documentation for the rescue process, including Minutes of Meetings, Status Reports, and Termination Notices.
- Analyzed financial data and contributed to brainstorming sessions for potential solutions.
- Managed and compiled detailed assets lists to determine core and non-core assets, supporting successful business rescue plan implementation.
- Implemented cost-cutting measures and liaised with employees to ensure the uninterrupted continuation of essential business functions.
- Ensured adherence to applicable laws and regulations, mitigating legal risks in the business rescue process.
- Collaborated with legal practitioners to draft agreements between business rescue practitioners, directors, and other stakeholders.

- Conducted comprehensive market research to identify industry trends, competitor strategies, and potential market opportunities for the distressed business.
- Coordinated with insolvency practitioners and liquidators when necessary, ensuring a seamless transition if business rescue efforts were unsuccessful.
- Led negotiations with suppliers and vendors to renegotiate contracts and payment terms, optimizing cost structures and supporting financial recovery.
- Implemented effective crisis communication strategies to manage external perceptions and maintain the company's reputation during the business rescue process

GENERAL AND DAY TO DAY INVOLVEMENT IN BUSINESS RESCUE PRACTISE

- Meeting with potential Companies that might benefit from business rescue proceedings;
- Analysing financial statements, business operations, business structures and processes;
- Investigating the affairs of the company in order to determine if there is a reasonable prospect to rescue the business;
- Compiling and lodging of CoR 123.1 documentation;
- Compiling and lodging of CoR 123.2 documentation;
- Compiling and lodging of CoR 125.1 Status Reports;
- Compiling and sending of Notices to all affected persons regarding commencement of business rescue proceedings;
- Compiling and distribution of documents (Agenda and Minutes) for the First Meeting of Creditors and Employees of the company in business rescue;
- Liaising with creditors, including SARS and legal representatives, as well as verification of submitted claim forms;
- Liaising with debtors in order to collect outstanding debt owed to the company;
- Shareholder and other stakeholder (Labour) engagement where required;

- Strategic sessions to restructure the business operations of the company taking into account internal and external factors;
- Mapping of business operations and systems processes of companies;
- Compiling and drafting of proposed business rescue plans in terms of the prescribes of the Company's Act for distribution to creditors;
- Compiling and distribution of documentation for voting purposes on the proposed business rescue plan;
- Attending meetings of affected persons where voting for the business rescue plan is convened;
- Monitoring implementation of business rescue plans;
- Assisting with liquidation applications in cases where business rescue proceedings have to be converted into liquidations.