PROPOSED BUSINESS RESCUE PLAN

FOR

BLUE CRANE EXPORTS CC

Registration nr: 2011 / 060809 / 23

by

Quinton (Pat) Pattinson

&

David Masterton

ON

10 May 2024

TABLE OF CONTENTS

1. DEFINITIONS 3
2. EXECUTIVE SUMMARY 6
3. SALIENT FEATURES: PART A – BACKGROUND OF THE COMPANY 11
4. SALIENT FEATURES: PART B – PROPOSAL BY THE PRACTITIONER/S 14
5. SALIENT FEATURES: PART C – ASSUMPTIONS AND CONDITIONS USED 17
6. MEETING TO DETERMINE THE FUTURE OF THE COMPANY 21
7. CONSIDERATION OF THE BUSINESS RESCUE PLAN 21
8. QUALIFICATION OF BUSINESS RESCUE 22
9. OVERVIEW OF THE BUSINESS RESCUE PROCESS 23
10. INVESTIGATION OF THE AFFAIRS OF THE COMPANY 24
11. VOTING ON THE PLAN 25
11.1. The first vote 25
11.2. The second vote 25
12 ANNEXURES TO THE BUSINESS RESCUE PLAN 26

1. DEFINITIONS

1.1. "**Acquittance**" means a document executed by a creditor in terms of which that creditor advises the Business Rescue Practitioner/s that such creditor will not look to the Business or the Business Rescue Practitioner/s for any payment of benefit under the Business Rescue Plan, to the extent of the amount stated in the acquittance;

1.1. "**Act**" means the Companies Act 71 of 2008 as amended;

1.2. "**Affected Persons**" means affected persons as defined in Section 128 (1) of the Act and in relation to the Company means a shareholder, a creditor and the employees of the Company;

1.3. "**Assets**" means all assets of the Business as reflected in the books of account of the Business as at the commencement date;

1.4. "**Auction Value**" means an estimate of the realisable value of the Business assets on a public auction where a sale is concluded on a forced sale, upon the fall of the hammer, to the highest cash bidder during an auction which was reasonably well advertised and attended by members of the public;

1.5. "**BRP/s**" means Pat Pattinson and David Masterton as defined in Regulation 126 to the Act;

1.6. "**BR360 C**" means Business Rescue 360 Cape (Pty) Ltd which contracts Pat Pattinson and David Masterton as the Business Rescue Practitioner/s of the business;

1.7. "**Business Rescue**" means the proceedings in terms of Chapter 6 of the Act and as defined in Section 128 (1)(b);

1.8. "**Business Rescue Plan**" means this document which is a business rescue plan prepared in terms of Section 150 of the Act by the Business Rescue Practitioner/s on the 10th of May 2024.

1.9. "**Claims**" means secured, preferent or concurrent claims as envisaged in the Insolvency Act, against the Business, the cause of action in respect of which arose, prior to or on the commencement date, of whatsoever nature and from whatsoever cause, including claims, arising from contract or delict, actual and contingent, prospective, conditional and unconditional, liquidated and unliquidated, assessed and unassessed and whether or not due for payment of performance, specific or otherwise, and including all claims arising out of any agreements entered into by the Business on or prior to the commencement date, all such claims to be determined, calculated and admitted as secured, preferent or concurrent in accordance with the same ranking, as envisaged in the Insolvency Act, that attached to them upon the issue of a winding up order in respect of the Business, whether or not such claims are proved;

1.10. “**Creditor/s**” means all legal entities, including natural persons, having secured, preferent and/or concurrent claims against the Business as at the commencement date as envisaged in the Insolvency Act;

1.11. “**Concurrent Creditors**” means creditors having concurrent claims as envisaged in the Insolvency Act;

1.12. “**The Business**” means Blue Crane Exports CC (in business rescue), a business duly incorporated in terms of the Laws of South Africa under registration number 2011 / 060809 / 23;

1.13. “**Commencement Date**” means 29 November 2023 being the date upon which the resolution to voluntarily begin with business rescue proceedings was filed with the Commission;

1.14. “**Commission**” means the Companies and Intellectual Property Commission of South Africa which is a division of the Department of Trade and Industry and is responsible for the register of companies in South Africa;

1.15. “**Disputed Claim**” means a claim that was submitted, but not approved by the practitioner/s. These claims will be confirmed or amended prior to distribution and are dealt with in terms of the included dispute resolution mechanism in this plan.

1.16. “**Factoring**” means that a creditor consents to accept a full and final settlement of its outstanding historic debts to an amount less than offered in the plan, but paid immediately upon acceptance between the Business and the Creditor;

1.17. “**Historic Debt**” means the debt owed by the Business as at the date of filing;

1.18. “**Independent Creditors**” means all Creditors having Claims against the Business other than creditors related to the Business and its subsidiaries and/or directors;

1.19. “**Insolvency Act**” means the Insolvency Act 24 of 1936 as amended;

1.20. “**Legal Moratorium**” means the moratorium granted by section 133 of the Act in terms of which no legal action against the Business can be commenced;

1.21. “**Moratorium period**” means the period after the publication of the business rescue plan during which the Business proposes to make no payments towards the historic debts;

1.22. “**PCF**” means Post Commencement Financing provided by a financier to the Company as envisaged in terms of section 135 of the Act;

1.23. “**Power of Attorney**” means the legal document that is received by a person to obtain the authority to act for another person in legal or financial matters, in the specified format

provided by the BRP/S;

1.24. "**Preferent Creditors**" means creditors having preferent claims as envisaged in terms of the Insolvency Act;

1.25. "**Proceedings**" means business rescue proceedings as provided for in Chapter 6 of the Act;

1.26. "**Proof of Claim**" means the full and total claim of a Creditor against the Business, in the specified format provided by the BRP/S subject to the final approval by the BRP/S;

1.27. "**Related Parties**" means, as provided in Section 2 of the Act, all persons and/or companies and/or legal entities related either directly or indirectly to the Business as at the Commencement Date;

1.28. "**Secured Creditors**" means creditors having secured claims as envisaged in the Insolvency Act;

1.29. **"Statutory Obligations**" means, the legally mandated duties and responsibilities that directors must fulfill in their role as custodians of the company. These obligations are designed to promote good corporate governance, transparency, accountability, and the protection of the interests of the company, its shareholders, employees, and creditors. These obligations include, but are not limited to, any and all submissions to SARS, provident funds, bargaining councils and other statutory bodies;

1.30. "**Substantial Implementation**" means in terms of section 132(2)(c)(ii) of the Act, the notice that is to be filed by the BRP/S confirming that a Business Rescue Plan has been implemented;

1.31. "**The Final date**" means the date upon the last payment in respect of the adopted Business Rescue Plan at a meeting envisaged in terms of section 152 of the Act is made;

1.32. "**The Meeting**" means the meeting convened in terms of section 151 (1) of the Act;

2. EXECUTIVE SUMMARY

2.1. The Business, known as Blue Crane Exports CC (Hereinafter referred to as "Blue Crane" or "The Business") is a company that operates in the Citrus industry. It is primarily responsible for the exporting of the fruit which is produced by the inter-connect companies' farming activities relating to the production of citrus fruit in the greater Kirkwood area.

2.2. The Business became financially distressed and had no other option but to file for business rescue in terms of the Act[1] on 29 November 2023. The full details regarding the cause of the financial distress of the business are dealt with in the sworn statement, and the first meeting of creditors (the minutes of which are attached hereto as Annexure A). However, some of the more important factors have been listed below:

2.3. The practitioners were provided with the following reasons for the financial distress:

2.3.1. The other entities within the group supplies Blue Crane with fruit, who in turn exports most of the fruit that is harvested to the European Union as there is a big market there for organic fruits.

2.3.2. The cost of exporting the fruits had gone up significantly due to a strike that happened and caused a shortage of logistical support – meaning an increase in the price thereof.

2.3.3. There were additional costs involved with shipping when some fruits had to be re-routed due to quality issues. The quality issues alluded to are to do with a certain "black spot" that was present on the citrus during the transportation phase – which unfortunately meant the EU wouldn't accept the fruit and it had to be shipped to another location for sale. This caused the fruit to yield a significantly lower price than was originally anticipated as it had to be sold as normal fruit and not organic fruits.

2.3.4. There were also significant changes in the rainfall in the area which affected the farming activities on the farms and hindered their ability to provide Blue Crane with a sufficient amount of fruit for export – not only was there a shortage in volume, but as mentioned before, there were some quality concerns.

2.3.5. Although the reasons for the financial distress are sound, and are indeed contributing factors, the practitioners have (during their ongoing investigation) concluded that these

[1] Section 129 of the Companies Act 71 of 2008.

additional reasons are also contributory to the financially distressed situation in which the group and Blue Crane now finds itself:

2.3.5.1. There has been a large amount of overcapitalization on some of the farms, including the costs of purchasing some of these farms. – It was noted that farms were purchased far above the acceptable market value of such farmland.

2.3.5.2. The businesses/group own a large amount of non-income generating assets such as guesthouses, holiday homes, hunting farms and other assets which are a cashflow drain on the business and not generating further income.

2.3.5.3. In general, record keeping is rather poor across the group of companies, and it has proven difficult to not only obtain correct information, but any information at all. Information that should be readily available is often times not present and this has also added to the delays in certain processes throughout the course of the business rescue to date.

2.3.5.4. Poor financial decision-making. As mentioned above, purchase of farms way above market value, investments into property that will never show a return on that investment, extending of loans that have little chance of ever being recovered.

2.3.6. The reasons for the financial distressed situation in which the business finds itself are as above, many of these issues have however been addressed as part of the ongoing business rescue process and the details of which will be given in full later in this plan.

2.4. The Business timeously notified all the affected persons known to the practitioner/s of the business rescue proceedings as per the Act.[2]

2.5. The BRP/S received their notice of appointment on 29 November 2023.

2.6. Based on the information received from the Business, it was thus concluded in terms of the Act[3] that a reasonable prospect of a successful business rescue does exist and the proposal and details of same is contained in this business rescue plan.

[2] Section 129 (3)(a).
[3] Section 128 (1)(b)(iii).

2.6.1. The basis of the business rescue plan is that Blue Crane will collect its loan amounts from connected entities as its only Asset and distribute the approximately R4.6m in proportion to creditors.

2.6.1.1. Furthermore, 1% of the group's turnover will be paid to Blue Crane as a management fee and this will be used for the operations of the business and the business rescue costs.

2.6.2. The details pertaining to the repayment of creditors in Blue Crane is dealt with under the heading "Proposal by the Practitioners".

2.7. Please note Annexure D for the draft list of assets belonging to the business.

2.8. The BRP/S convened and presided over a first meeting of creditors on 12 December 2023.[4]

2.9. The affected persons will now have the opportunity to peruse the Proposed Business Rescue Plan before voting on it no later than **24 May 2024.**

2.10. The details pertaining to this vote will be sent out in a Circular shortly.

2.11. Please use the time provided to address any questions, queries and suggested amendments to the Business Rescue Practitioner/s, via email, before the meeting to vote on this plan. This will allow the Business Rescue Practitioner/s the time needed to consider any suggestions.

2.12. Further please note that unfortunately no further proof of claims can be accepted by the Business Rescue Practitioner/s as ample time and opportunity was provided and these claims form the basis of determining the voting rights of the affected persons.

2.13. This plan makes provision for full and final settlement to creditors from the collection of the loan accounts owed to it by the connected entities, and as such there will be no further funds available for any claims not contained in this proposed plan. There will be no form of recourse from any creditor that is not included in this proposed Business Rescue Plan for the collection of any debt other than as contained in this proposed business rescue plan.

[4] Section 147 (1).

2.14. The Practitioner/s cannot accept liability for any late claims and/or post-business rescue debt and/or any other matters that arise after the vote on this plan.

2.15. It is important to note that the person representing the creditor during the meeting to vote needs to be the appointed public officer or the appointed proxy of the creditor.

2.15.1. If a creditor appoints a proxy, then the proxy needs to be in possession of a Power of Attorney document and mandated to ensure they can vote on the proposed business rescue plan and be in a position to apply their own minds during the meeting, considering discussions and amendments that might take place during the meeting.

2.15.2. If you have not received a Power of Attorney document to complete, please contact the Business Rescue Practitioner/s.

2.16. Calculations and projections provided are based on information provided by the owners, management, accounting statements and the affected persons.

2.17. Due to the limitations in law, the practitioner/s did not have the time nor the funds or the *locus standi* to perform a full investigation, due diligence or confirmation audit on the information received nor to employ third parties to verify and scrutinise same.

2.18. This Proposed Business Rescue Plan does not guarantee the continuation of the business therefore, financial information will be provided in so far as the collection of the loan accounts only as per the attached Annexure I.

2.19. The costs relating to the business rescue proceedings will be settled from the ongoing income generated from the business.

2.19.1. These costs include but are not limited to practitioner's fees and contingencies, short-term insurance, accounting and other continued statutory obligation fees.

2.20. The practitioner/s will file for substantial implementation as soon as is practicable after the proposed business rescue plan has been adopted, and the following milestones achieved:

2.20.1. The successful adoption of the proposed business rescue plan.

2.20.1.1. The plan will govern how the payments of the historic debt will be handled.

2.20.2. Once the practitioners are satisfied that the plan's implementation is sufficiently underway, they will file for substantial implementation at the earliest convenience.

3. SALIENT FEATURES: PART A – BACKGROUND OF THE COMPANY[5]

3.1. The Business, known as Blue Crane Exports CC (Hereinafter referred to as "Blue Crane" or "The Business") is a company that operates in the Citrus industry. It is primarily responsible for the exporting of the fruit which is produced by the inter-connect companies' farming activities relating to the production of citrus fruit.

3.1.1. As above, Blue Crane is part of a group of entities consisting of 4 businesses and 1 trust. The group will be referred to as the "Blackie Swart Group" at all times.

3.1.2. The group as a whole caters for a large, but niche market focusing their efforts on producing top quality organic citrus fruit for export – with a minimalist focus on traditional, nonorganic fruit and a small portion of fruit that is also provided to juice providers. As mentioned, Blue Crane is the export arm of the group of companies and is solely responsible for the Exporting of Fruit.

3.1.3. This entity was established in 2011 and was, until the date of filing for Business Rescue, under the control of Marika Swart – the Member. The business is however currently managed in a full-time capacity by Mr. Pattinson who is the senior rescue practitioner and who has taken full management control of the business. Mr. Pattinson is accompanied by Mr. Masterton, an experienced rescue practitioner, who has taken full control of all financial-related matters such as the banking accounts, payroll etc.

3.2. The Business became financially distressed and had no other option but to file for business rescue in terms of the Act[6] on 29 November 2023.

3.3. Per the Act[7]; the draft list of assets of the Business are as per the attached Annexure D containing a List of Material Assets.

3.4. Per the Act[8]; The liability of the business is based on the proof of claims received from 12 creditors (totaling 12 claims) and totals about R43 434 219.25. A list of creditors with their respective claims is attached as Annexure B.

[5] Section 150 (2) of the Companies Act.
[6] Section 129 of the Companies Act 71 of 2008.
[7] Section 150(2)(a)(i).
[8] Section 150(2)(a)(ii).

3.4.1. Please note that the shareholder's loan accounts and intercompany loan accounts will be subordinated for the benefit of the remaining creditors. Meaning simply that they will only be repaid once the creditors have been settled in terms of this plan.

3.4.2. It must be noted that the proof of claims submitted to the Business Rescue Practitioner/s does not automatically assure the Creditor that they will receive this amount as discrepancies might be found when comparing the amount in the books of the Business to the proof of claim received.

3.5. Please further note that this plan refers to the fact that no legal fees, interest, collection fees or any cost other than the capital amounts can be provided for on the historic debts due to creditors. Only the capital amounts due will be considered in the dividend calculation if such debt is not specifically provided for in this proposed Business Rescue Plan.

3.6. It is evident that should the business be placed into traditional liquidation; the costs thereof will result in a situation where the income from liquidation proceedings will not be sufficient, and creditors will in all likelihood be liable for a cost contribution in such a scenario should they prove a claim against the business.

3.7. The Business Rescue Practitioner/s thus remain of the opinion that this proposed business rescue plan provides for a much better return to all the affected parties than could materialise in an immediate and traditional liquidation.

3.8. The probable dividend in Liquidation compared to the Business Rescue dividend is as stated below:

Creditor Class		**Liquidation**		**Business Rescue**
Secured	:	Not Applicable	:	Not Applicable
Preferent (in liquidation) and PCF (in Business Rescue)	:	Not applicable, no staff in this business	:	Not applicable, no staff in this business
Concurrent Claims	:	7.96 cents in the rand	:	+- 11 cents in the rand

*Please note that these values are estimates made in good faith and based on information received from the business, asset lists received, and a very brief explanation and rough calculations are included in Annexure H (LND account).

3.9. Below is a complete list of the holders of the Company's issued securities.[9]

Name		Issued Securities
Marika Swart	:	100%

3.10. Attached as Annexure F[10] is a copy of the written fee agreement of the practitioner/s as approved by the business and the directors/members.

3.10.1. The practitioners have agreed to amend the fee proposal to assist with the rescue of this business.

3.10.2. They will not charge any contingencies and or success fees of any nature, but will simply charge the fees in terms of Regulation 128 at R 2 000 per hour up to a maximum of R 25 000 per day including VAT.

3.10.3. With the adoption of this business rescue plan it will be considered that the creditors accept that the practitioners have compromised their fees to this extend.

3.11. No creditor has made any representations to the Business Rescue Practitioner/s and this business rescue plan includes no informal proposal made by a creditor.[11]

[9] Section 150(2)(a)(iv).
[10] Section 150(2)(a)(v).
[11] Section 150(2)(a)(vi).

4. SALIENT FEATURES: PART B – PROPOSAL BY THE PRACTITIONER/S[12]

4.1. This Proposed Business Rescue Plan does make provision for a specific moratorium period[13] to be granted, payments on the historic debt to the creditors of the business in order for this business to collect its loan accounts from the connected parties.

4.1.1. It is envisaged that the business will require at least until the end of the 2025 harvest to collect the loan accounts and repay its creditors.

4.2. The offer in terms of this plan and the payment that is to be made to all creditors shall be in full and final settlement of such debt and all creditors shall by adoption of the Proposed Business Rescue Plan accede to the discharge of the whole of the debt in terms of the Act,[14]

4.3. Proposals as set out herein Below:

4.3.1. Collection of the loans that are due to Blue Crane.

4.3.1.1. Blue Crane Exports currently has the following loan accounts that are due to it:

4.3.1.1.1. Blackie Swart Familie Trust in the amount of R1 361 175.55
4.3.1.1.2. Steenbokvlakte Sitrus Ontwikkeling in the amount of R3 022 387.00
4.3.1.1.3. Blackie Swart Familie Trust in the further amount of R963 681.88
4.3.1.1.4. Tracto Trading in the amount of R1 012 851.00

4.3.1.2. Totaling R6 360 095,43 – however, the recoverability of some of these loans is highly questionable. Therefore, we will work on an estimated recoverable rate and therefore the potential income from the collection on loan accounts is equal to approximately R4 600 000

4.3.1.3. This is still a substantially better outcome for the creditors than the immediate and traditional liquidation of the business, because a liquidation would take far more time and will likely end up costing substantially more in legal costs, Section 89 costs and any other associated costs which have only been estimated in the LND account.

[12] Section 150 (2).
[13] Section 150(2)(b)(i).
[14] Section 154(1).

4.4. The order of payment of claims and costs for this business rescue will follow the parameters as set out in Section 134 and 135 of the Act[15] and is summarised as follows:

4.4.1. First - The fees and expenses still due to the practitioner/s in terms of Section 143 of the Act[16] will be paid in terms of Section 135 of the Act.[17] These expenses will include all costs to facilitate the business rescue process including but not limited to the accounting costs, broker fees, short-term insurance, banking fees and statutory obligations as defined in the definitions to this rescue plan.

4.4.1.1. The practitioners' fees are per the annexed agreement but compromised as per section 3.10 of this plan should it be adopted. Should there be any arrears in fees due to the practitioners, these will also enjoy preferences afforded by the Act for post-commencement finance.[18]

4.4.1.2. All practitioners' must however be settled first from any available funds as and when they are due.

4.4.2. Second - All creditors, including but not limited to staff, sub-contractors and or suppliers who have assisted the business with the completion of the ongoing trading of the business will be settled next from proceeds, for any of the work done or goods supplied to complete this work post business rescue commencement.

4.4.3. Third – any party that provided post-commencement finance will be repaid their respective loans in terms of their respective loan agreements.

4.4.3.1. No post-commencement finance has been secured.

4.4.4. Fourth – The Concurrent Creditors will be repaid approximately 11 cents in the Rand based on the claims received and contained in Annexure B. The approximation is based on a collection of the loan accounts due to Blue Crane up to R 4.6m.

4.4.4.1. Please further note that all claims are considered concurrent claims and by the adoption of this plan all creditor accept their claims to have equal ranking.

[15] Section 150(2)(b)(v).
[16] Section 143.
[17] Section 135 (3
[18] Section 135.

4.4.5. Fifth – SARS

4.4.6. Any and all future exposure to SARS with regards to the continued trading of the business will be paid as and when it becomes due in the ordinary course of business.

4.4.7. The pre-rescue indebtedness to SARS (if any) will form part of the concurrent claims against the business and will be repaid with the remaining concurrent claims in terms of this rescue plan over the repayment period.

4.4.7.1. This plan makes provision for a VAT claw back in the amount of R 1 926 222.66 and will be repaid prior to disbursement to the remaining creditors from the loan accounts collected.

4.5. Dispute Resolution Mechanism:

4.5.1. Should any affected person dispute any of the provisions of this business rescue plan, such disputes may be raised at any time prior to the voting on the business rescue plan. These disputes, of whatsoever nature, will be addressed after the adoption of the plan.

4.5.2. Should the dispute arise out of the adoption of the plan or as a result of any supposed voting irregularities, these disputes must be resolved as bellow:

4.5.2.1. Such disputes must be raised within 5 working days of the adoption of the proposed business rescue plan and notice must be formally provided to the practitioner/s in this regard to prevent the plan from being implemented.

4.6. The implication of the abovementioned is that the creditors shall have no further right of recourse and shall not be entitled to enforce the debt, or any balance thereof owed by the business immediately before the beginning of the Business Rescue Process as the Business Rescue Plan does not provide for the institution of any further action. An extract from the Act is given below for ease of reference:

Section 154: Discharge of debts and claims

"A Business Rescue Plan may provide that, if it is implemented in accordance with its terms and conditions, a creditor who has acceded to the discharge of the whole or part of a debt owing to that creditor will lose the right to enforce the relevant debt or part of it.

If a Business Rescue Plan has been approved and implemented in accordance with this Chapter, a creditor is not entitled to enforce any debt owed by the Company immediately before the beginning of the Business Rescue Process, except to the extent provided for in the Business Rescue Plan."

4.7. The main benefits of adopting this business rescue plan are:[19]

4.7.1. There is no risk of a cost contribution in business rescue and creditors cannot be held liable to fund any part of the business rescue process should they lodge their claims.

4.7.2. The process is not subject to the cumbersome supervision of the Master of the High Court and provisions of the Companies Act and Insolvency Act relating to meetings of creditors, submissions and approvals of accounts and advertising thereof.

4.7.2.1. This proposed business rescue plan removes the attorney's fees associated with a liquidation and removes the costs of a liquidator and the Masters Fees.

5. SALIENT FEATURES: PART C – ASSUMPTIONS AND CONDITIONS USED[20]

5.1. This Business Rescue Plan is based on the following assumptions. [21]

5.1.1. Firstly, based on the assumption that all the creditors have submitted their claims or are satisfied that the amounts contained in Annexure B are correct.

5.1.1.1. The Business Rescue Practitioner/s have contacted all the affected persons, known to them, that might have a claim against the Business via email and/or telephone.

5.1.1.2. The Business Rescue Practitioner/s have provided the creditors with ample time and opportunity to supply their proof of claims.

5.1.2. This Proposed Business Rescue Plan is based on the assumption that no liquidation proceedings have commenced against the business prior to the filing for Business Rescue.

[19] Section 150(2)(b)(vi).
[20] Section 150 (2).
[21] Section 150(2)(c)(i).

5.1.3. It is further assumed that the business is in fact a legally registered business and is registered with the Commission as “in business” or alternatively “in business rescue”.

5.1.4. It must be accepted by all creditors that all claims are considered as concurrent and that all secured creditors waive their rights to pursue the business for any securities provided in terms of cession or securities over any assets, loan accounts or debtors.

5.1.4.1. The motivation for this is that they will still receive a better diffident than should the business be liquidated, and they retain their rights to pursue any sureties they validly hold.

5.1.5. While the Business Rescue Practitioner/s have taken every effort to secure the most reliable and accurate information, this plan is based on the information received from the relevant parties and although the Business Rescue Practitioner/s have endeavored to confirm its accuracy, the funds and time allotted to them during Business Rescue Proceedings in addition to the limitations in law did not allow for a full due diligence or confirmation audit to be performed.

5.1.5.1. This proposed business rescue plan is thus prepared based on the assumption that the information provided is accurate. The Business Rescue Practitioner/s and their associates make no representation as to its accuracy and cannot be held liable for any eventualities arising from the use of the information provided.

5.1.6. Irrespective of these assumptions, this proposed business rescue plan will be binding on all creditors should a successful vote on the plan be achieved in terms of the Companies Act.[22]

5.2. This Business Rescue Plan is based on the following conditions that need to be satisfied for it to be fully operational.[23]

5.2.1. The First condition is that a successful vote in favour of the Proposed Business Rescue Plan needs to take place in terms of the Act[24] for the plan to come into operation.

5.2.2. The second Condition is that no contracts, agreements or commitments have been

[22] Section 152 and Eravin Construction Matter.
[23] Section 150(2)(c)(i).
[24] Section 151 and 152.

entered into during the business rescue proceedings without the Business Rescue Practitioner's express consent and signature to any documentation during the business rescue proceedings.

5.2.2.1. This has the result that any such agreements are void and cannot be entertained or honoured by the business in terms of The Companies Act.[25]

5.2.3. The third condition is that a full freeze on all directors' loan accounts with the Business is put into place. Repayments of the members debit loan accounts (monies owed by the members to the business) will be actively pursued by the practitioner/s for the benefit of the creditors.

5.2.3.1. All credit loan accounts will be repaid in terms of this proposed business rescue plan.

5.2.4. The fourth condition relates to SARS obligations by the business - The business will continue to honor its obligations to SARS with regards to the statutory submissions and obligations that have to be maintained going forward.

5.2.5. The fifth condition is that after the date of adoption of this Plan, the rights of all creditors of the Company shall be confined to the right to claim payment in terms of this plan. Specifically relating to the proposed repayment schedule and that the business will not deviate from the schedule to favour any one creditor above another.

5.2.6. The sixth condition is that any compromise contemplated in this business rescue plan is conditional upon the company fully meeting its obligations to creditors as set out in this business rescue plan. In the event of any breach by the company of its obligations to creditors in terms of the business rescue plan, the practitioner/s reserve the right to provide the creditors with a new or amended business rescue plan for consideration.

5.2.7. The seventh condition is that no directors, shareholder or surety will be permitted to claim against the business for any claims against them as a result of any compromise reached in this proposed business rescue plan.

5.2.8. It is clear that should the above proposals be approved and subsequently

[25] Section 137(4).

implemented, that the group as a whole should be able to achieve a full rehabilitation. **All four of the rescue plans will need to be adopted for each to become binding.** If a single plan is not adopted, it will invalidate the others, and new plans will need to be prepared and presented to the respective creditors.

5.2.9. The practitioners remain confident that a reasonable prospect for a rescue exists for each entity individually, and even more so for the group as a whole, provided that the proposals outlined herein are accepted by the affected persons of each respective entity.

5.2.10. Should any group of creditors reject their respective proposal, the practitioners remain confident that by amending the business rescue plans, each entity could be rehabilitated based on its own merits. However, this would require some compromises in repayments.

5.3. These conditions will allow the BRP/S sufficient leverage while they implement the proposed business rescue plan to ensure a successful rehabilitation of the business.

5.4. Once the following has been completed the plan will be considered as having been fully implemented:[26]

5.4.1. A successful vote on this proposed plan has been achieved and that disbursement to creditors is limited to the extent as allowed for in this proposed business rescue plan and no creditor will be permitted to pursue any debt other than in the manner proposed by the payment schedule.

5.5. The BRP/S will, at this point and at their sole discretion, file a Notice of Substantial Implementation of the Business Rescue Plan in accordance with the Act.[27]

5.5.1. It is proposed that the Company will continue trading, although not in its current format, after the implementation of this BR Plan[28] and therefore the projected income statement is attached hereto as Annexure I.

[26] Section 150(2)(c)(i).
[27] Section 132(2)(c)(ii).
[28] Section 150(2)(c)(iii).

6. MEETING TO DETERMINE THE FUTURE OF THE COMPANY[29]

6.1. This Proposed Business Rescue Plan is published to the affected persons on 10 May 2024 and a meeting to vote has been scheduled to take place on 24 May 2024, a circular will follow with details of the meeting to vote.

6.2. Should you not be in a position to attend the meeting you may appoint a proxy to vote on your behalf and the practitioner/s will accept such nominations.

7. CONSIDERATION OF THE BUSINESS RESCUE PLAN[30]

7.1. Two votes will take place during this meeting as per the Act;[31]

7.2. The first vote will be to determine if the affected persons wish to adjourn the meeting and have the Business Rescue Practitioner/s make amendments to the Proposed Business Rescue Plan.

7.3. The second vote will be to determine if the Proposed Business Rescue Plan will be approved and implemented subject to the rest of the conditions set out in the Act.[32]

[29] Section 151.
[30] Section 152.
[31] Section 152 (1).
[32] Section 152.

8. QUALIFICATION OF BUSINESS RESCUE

8.1. Business Rescue is a process introduced by Chapter 6 of the Companies Act of 2008 and the aim of it is clearly stated in the Act.[33]

8.2. The first part of the definition of Business Rescue states that it is a process designed at rehabilitating financially distressed Businesses.

8.3. The second part of the definition is that if a turnaround of the Business is not possible that the Business Rescue Process must provide a better return to creditors and shareholders than what would be realised through the immediate and traditional liquidation of the Business.

8.3.1. This is further confirmed in the matter of *Carroll v Michael Carroll CC* (2018/22808) [2019] ZAGPPHC 74 (15 March 2019)) Re: Section 141(2) does not apply if a better return is received by creditors compared to the dividend to be received by creditors upon immediate liquidation.

8.4. This is done via the temporary supervision of the Business by a Business Rescue Practitioner or practitioners, where these practitioners must determine the exact financial position of the Business and prepare a Business Rescue Plan which the creditors will vote on.

8.5. In order for a Business to qualify for Business Rescue some conditions must exist as per the Act.[34]

8.5.1. The first condition is that the Business must be financially distressed as defined in the Act.[35]

8.5.2. The second condition is that the Business Rescue Practitioners must believe that a reasonable prospect of a rescue exists as defined in the Act.[36]

[33] Section 128 (1)(b).
[34] Section 129 (1).
[35] Section 129 (1)(a).
[36] Section 129 (1)(b).

8.6. Based on the initial investigation of the Business by the Business Rescue Practitioner/s, from the information provided, it was determined that the Business qualifies for both conditions as required by the Act.

8.7. The Business was indeed financially distressed as it could not pay all its expenses as and when they became due.

8.8. The Practitioner/s were at the time of the first creditors' meeting of the view, based on the information provided to them at that time, that a reasonable prospect of a successful rehabilitation of the business did exist.

8.8.1. The practitioner/s are still of this belief and thus the proposed business rescue plan has been published in the format in which it has been published.

9. OVERVIEW OF THE BUSINESS RESCUE PROCESS

9.1. The Business commenced Business Rescue Proceedings in terms of the Act[37] by virtue of passing a resolution stating that it is in financial distress and therefore needed to file for Business Rescue.

9.2. The process of business rescue as contained in Chapter 6 of the Companies Act was duly followed with the following milestones achieved:

Action	**Date**
Business Rescue Resolution passed	28 November 2023
Resolution adopted by CIPC	29 November 2023
Business Rescue Practitioners Appointed	29 November 2023
Business Rescue notice submitted to affected persons	6 December 2023
First meeting of Creditors	11 December 2023
Business Rescue Plan published	10 May 2024
Vote on the proposed business rescue plan	24 May 2024

[37] Section 129.

10. INVESTIGATION OF THE AFFAIRS OF THE COMPANY

10.1. The business rescue practitioner/s did investigate the affairs of the business in terms of the Act.[38]

10.2. Subsequent to this investigation the business rescue practitioner/s concluded that:

10.2.1. The practitioner/s still believe there to be a reasonable prospect to provide a better return to the affected persons than in a liquidation.

10.2.2. The company remains in financial distress and the business rescue process must continue.

10.2.3. Due to the limitations in the law, the practitioner/s did not have the time nor the funds to investigate all potential aspects of any potential non-compliance – Though none is suspected.

10.2.4. Some irregularities have been found and will be reported to the appropriate authorities for further investigation once the internal investigations are complete. The seriousness and nature of some of these matters do not allow for the practitioners to openly discuss them at this point in time.

10.2.5. Where possible, these findings will be shared with affected persons as and when prudent to do so.

10.2.6. It is however necessary for the respective financials to be updated and corrected in order for them to be used to facilitate the Section 141 investigation.

10.2.7. It can, however, be stated that the outcomes of these investigations will not materially affect the dividends that are intended to be paid to creditors.

[38] Section 141.

11. VOTING ON THE PLAN

11.1. The first vote

11.1.1. This vote will be to determine whether the creditors wish for the Business Rescue Practitioner/s to end the meeting, amend this Business Rescue Plan and then present an amended plan at a follow-up meeting.

11.1.2. The Business Rescue Practitioner/s request that these amendments are received before the meeting so as to include these in the discussions of the voting meeting with the creditors.

11.2. The second vote

11.2.1. This vote will be to determine whether the creditors accept or reject the Proposed Business Rescue Plan.

12 ANNEXURES TO THE BUSINESS RESCUE PLAN

12.1 The following annexures are attached to this Proposed Business Rescue Plan:

Annexure A:	Outcome of 1st Creditors Meetings
Annexure B:	List of Creditors of the Business
Annexure C:	Company Registration Documents
Annexure D:	Material list of Assets of the Business
Annexure E:	Certificate of the Business Rescue Practitioners
Annexure F:	Written Fee Agreement (Proposal)
Annexure G:	Disclaimer
Annexure H:	Liquidation and Distribution Account
Annexure I:	Projected Financials
Annexure J:	Group turnaround outline proposal

We thank you for your time offered to determine the future of this Business Rescue process for **Blue Crane Exports CC.**

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure A : Outcome of 1st Creditors Meeting

Building 5 | Waterfront Business Park | 9 Pommern Street | Humerail | Port Elizabeth | 6070 | South Africa
P O Box 28302 | Sunridge Park | 6008 | Port Elizabeth | South Africa
T (+27) 41 008 5073 **E** patp@businessrescue360.co.za **W** www.businessrescue360.co.za

12 December 2023

CIRCULAR 03

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **BLUE CRANE EXPORTS CC** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE 1ST MEETING OF CREDITORS

The business rescue practitioners[1] wish to advise all the affected parties the outcome of the 1st meeting of creditors of **Blue Crane Exports CC** (Herein after referred to as "Blue Crane" or "The Business") - held on 11 December 2023.

Mr Pattinson gave a brief introduction of the Business Rescue team and welcomed all of the affected persons to the meeting. The business rescue team consists of Mr. Pattinson – a senior business rescue practitioner with more than 50 successful substantial implementations of business rescue plans with a career in business turnarounds spanning over more than 15 years, and Mr Masterton who is an experienced business rescue practitioner with nearly a decade of turnaround experience. Mr Durandt will be assisting in an administrative capacity.

1. CONDITIONS FOR BUSINESS RESCUE

1.1. The practitioner explained the process of filing for business rescue and why a business would consider business rescue and the conditions of filing for business rescue.

1.2. **The first question - Is the Company Financially distressed? YES**

1.3. Based on information at hand, yes, the business cannot pay its debts as and when they become due and payable, therefore it is clear that the business is in financial distress in terms of the Act[2] and has filed for Business Rescue in terms of the Act[3].

[1] Quinton Pat Pattinson, Senior Business Rescue Practitioner and David Masterton, Experienced Business Rescue Practitioner.
[2] Section 128(1)(f) of the Companies Act 71 of 2008.
[3] Section 129 of the Companies Act.

1.4. Had the directors decided not to file for business rescue, they would be compelled in terms of the Act[4] to deliver a formal written notice (in the form of a CoR123.5) to every affected person detailing:

1.4.1. That the business is in financial distress.

1.4.2. The reasons for the financial distress.

1.4.3. The reasons for the company's decision to not file for business rescue.

1.5. **Second Question - Does a reasonable prospect of a rescue exist? <u>YES</u>**

1.5.1. Based on the information provided to the practitioners to date, there does appear to be a reasonable prospect of a successful rehabilitation and organic turnaround of the business.

1.5.1.1. It will require the systematic restructuring of the business and may require the sale of some of the non-income generating assets that are currently draining cashflow from the business – but the practitioners are very much of the belief that a reasonable prospect exists, based on the information provided to date.

1.6. Further, should a rehabilitation of the business not be possible, the practitioners will be required to at the very least seek a better outcome for the affected persons than that which they would receive in an immediate and traditional liquidation. As provided for in terms of the Act[5] and the judgment of *Carrol v Michael Carrol*. [6]

1.7. The practitioners in this matter are not farming experts, and as such will not assume full operational control of the business. The day-to-day activities will continue to be run by the current management of the business under the supervision of the practitioners. The practitioners are wholly responsible for the rehabilitation and restructuring of the business.

[4] Section 129(7) of the Act.
[5] Section 128(1)(b)(ii) of the Act.
[6] *Carroll v Michael Carroll* CC In Re: In the application for the Liquidation of: Michael Carroll CC (under supervision) (2018/22808) [2019] ZAGPPHC 74.

2. **INFORMATION PROVIDED:**

2.1. Please note once again that the information as provided during this, the first meeting of creditors, is as received from the business. It is highly likely that the information presented at a later date may vary as additional information is provided and a more detailed reporting can be given to all the affected persons.

Creditors	:	+- R8,5 Million
Loan Accounts (Receivable)	:	R4,93 Million (per 2023 AFS)
Loan Accounts (Payable)	:	R3,84 Million (per 2023 AFS)
Debtors	:	TBC
Assets	:	TBC

2.2. Blue Crane Exports was established in 2011 and Marika Swart is the sole member of the CC. Blue Crane is responsible for the export and sale of the citrus that is produced on the various farms belonging to the interconnected entities. The citrus is all packed at the Goodhope Packhouse and is shipped and distributed from there and this responsibility is that of Blue Crane's.

2.3. Blue Crane is one of 5 entities that are currently experiencing financial distress. 4 of them are businesses and 1 is a trust. The businesses and the trust are all so intertwined, it would effectively be impossible and definitely impractical to attempt to save only one at the exclusion of the rest. Therefore, the entire group is currently in business rescue, except the trust, wherein a quasi-rescue approach is being taken to attempt to rescue the trust as well.

2.4. It must at this stage be confirmed that the business rescue practitioners work for the creditors, and not the directors/members of the business. The practitioners will consult with the management, but do not take instructions from them. The role of a business rescue practitioner is to at all times balance the rights of all the affected persons.[7]

[7] Section 7(k) of the Companies Act.

2.5. The practitioners, for this first meeting, rely heavily on information supplied by the business – however, there will be a vast investigation done into the affairs of this business before the proposed business rescue plan is published.[8]

3. REASONS FOR THE FINANCIAL DISTRESS:

3.1. The reasons for the financial distress, as presented by the business to the practitioners is as follows:

3.1.1. The business exports most of the fruit that is harvested to the European Union as there is a big market there for organic fruits.

3.1.2. The cost of exporting the fruits had gone up significantly due to a strike that happened and caused a shortage of logistical support – meaning an increase in the price thereof.

3.1.2.1. There were additional costs involved with shipping when some fruits had to be re-routed due to quality issues.

3.1.3. The quality issues alluded to above are to do with a certain “black spot” that was present on the citrus during the transportation phase – which unfortunately meant the EU wouldn’t accept the fruit and it had to be shipped to another location for sale.

3.1.4. This caused the fruit to yield a significantly lower price than was originally anticipated as it had to be sold as normal fruit and not organic fruits.

3.2. Although the reasons for the financial distress are sound, the practitioners will continue with their own investigation into the affairs. A more formal feedback will be provided at the next meeting of creditors.

3.3. Further, the practitioners would like to investigate the mitigation factors that should have been in place to prevent the severity of the financial distress so that events such as this may be prevented going forward.

4. IMPORTANT DATES:

4.1. Below are the notable dates regarding the business rescue proceedings to date:

[8] Section 141 of the Companies Act.

Board Resolution Submitted	:	28 November 2023(133 Protection date)
CIPC returned	:	29 November 2023
Practitioner Submitted	:	29 November 2023
CIPC returned	:	1 December 2023
1st Meeting of Creditors	:	11 December 2023
2nd Meeting of Creditors (Discussion of Fees)	:	To be confirmed
1st Meeting with Staff	:	Proposed 14 Dec 2023

5. FORMING A COMMITTEE

5.1. The Business Rescue Practitioner advised the attendees that they can form a committee of creditors in terms of the Act.[9] The practitioner confirmed the purpose of such a committee and noted that in a rescue of this nature, it may be favourable for creditors to be able to communicate directly with the practitioners.

5.2. The attendees voted against this proposal.

5.2.1. The business rescue practitioner will thus interact with all the creditors of the business directly. There will be no need for the formation of a committee and the information will flow directly between the relevant parties.

6. REQUEST FOR AN EXTENSION

6.1. The plan is currently due to be published on the 5th of February 2024 –having given consideration to the *dies non* days in terms of upcoming public holidays and the festive season.

6.2. Based on the discussions had in this meeting, it is proposed that another meeting similar to this one is held on the 14th of February 2024 so that the practitioners can provide further feedback to the creditors.

6.2.1. The nature of the rescues and the interconnected entities make the publication date of the 5th of February 2024 a practical impossibility.

[9] Section 147.

6.2.2. The practitioners require more time to adequately attain all the relevant information as required for the publication of a business rescue plan[10] and this will require more time.

6.3. A unanimous vote was achieved in this regard and therefore the next meeting will be on the 14th of February 2024 where a further update will be given, and further extensions be requested should it be necessary.

6.4. Although not required in terms of the Act – an additional meeting will be held on the 20th of December 2023. This meeting will be a "general" meeting concerning all 5 entities and will be for the purposes of a general update. All the relevant affected parties will be notified of this meeting in due course.

7. PROOF OF CLAIMS

7.1. The practitioner confirmed that Jaco Durandt has sent out the proof of claim forms and these proof of claim forms must be completed and returned to Jaco Durandt on the prescribed document. Same is also available – along with all other documentation relating to the business rescue – on the website of the practitioner at https://pattinson.biz/ under the "Business Rescue" tab at the top right of the page.

7.2. Please provide us with these proof of claims as soon as possible as we would like to compare the claims received to those values contained in the books of the company.

8. PROJECT BASED FINANCE

8.1. The practitioner took some time to explain what post commencement finance (PCF) is and how project-based finance differs from PCF. Project-based finance being similar in nature to PCF, but for a far more specific nature and the ordinary course of action would be that the Project-based finance will be provided on a relatively short-term basis until the goal or purpose for which the funding is granted, is achieved.

[10] Section 150 of the Act.

9. **QUESTIONS / COMMENTS**

9.1. What is the current position with relation to SARS?

9.1.1. At the time of the meeting, this information was not yet available. However, this information has been requested from SARS and will be circulated shortly.

9.2. On what do the practitioner's base their belief that there is a reasonable prospect of a rescue?

9.2.1. Operationally, the business is still viable. Hence the proposed organic turnaround of the business. The basis is not solely on the potential sale of the assets.

9.2.2. However, it was confirmed that, once the information has been properly presented – it will be possible to identify the non-income generating assets (of which there are many) that are putting a drain on the business and selling these assets.

9.2.3. If the drain from the non-income generating assets is stopped, and the business is able to trade normally, the practitioners believe that the business can organically trade out of the financial distress.

9.2.3.1. Lastly, should it become necessary to sell all the assets of the business, it will result in a better outcome than in liquidation (BriL). Confirmed in the Caroll matter – that a BriL is a valid ground and confirmation of a reasonable prospect of a rescue.

9.3. Will the Section 141 investigations be used to determine if there were any reasons, other than stated, that led to the financial distress? Also, should it become clear that the directors/members are not able to fulfil their duties, will they potentially be removed?

9.3.1. The practitioners confirmed that the information received thus far has been received directly from the auditors of the business and that Mr. Masterton is currently going through the details thereof meticulously. The management have been somewhat "cut out" of this process as the last thing the practitioners would like is to have their opinions skewed by the management's explanations.

9.3.2. The practitioners again confirmed that they are in the process of the full Section 141 investigations into the affairs of the business and all reportable findings, will be reported. As mentioned, at this early stage in the process, the practitioners simply do not have enough information to make any such determinations as to the current management of

the business – time must be afforded to do these investigations and all relevant legislation must be considered, including the intellectual property of the business.

9.4. The Blackie Swart Familie Trust, being so intertwined with the other businesses in the group – how do you intend to deal with the trust?

9.4.1. Originally, the thought was to appoint one of the practitioners as a trustee on the trust as well, with a veto right in order to help with a quasi-rescue turnaround process for the trust in line with the goals of business rescue. However, due to the information received thus far concerning all the entities – the practitioners will first be consulting with an attorney to see what options are available to the practitioners with regards to a process that will be beneficial to the trust as well.

9.4.2. There is of course the alternative of sequestrating the trust, this will however not be beneficial to any parties as a result of the numerous cross-sureties between the entities and the amount of usable land in the trust – being one of the larger income generators.

Kind Regards

Quinton Pattinson	David Masterton	Jaco Durandt (admin clerk)
patp@businessrescue360.co.za	davidm@businessrescue360.co.za	jacod@businessrescue360.co.za
082 749 6462	082 569 3813	076 773 4595

BR360

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure B : List of Creditors of the Business

It must be noted that the proof of claims submitted to the Business Rescue Practitioners does not automatically assure the creditor that they will receive this amount as discrepancies might be found when comparing the amount in the books of the business to the proof of claims received.

Due to the limitations in law, the practitioners did not have the time nor the funds or the *locus standi* to perform a full investigation, due diligence or confirmation audit on the information received nor to employ third parties to verify and scrutinize same.

Please further note that this plan refers to the fact that no legal fees, interest, collection fees or any cost other than the capital amounts can be provided for on the historic debts due to creditors. Only the capital amounts due will be considered in the dividend calculation if such debt is not specifically provided for in this proposed Business Rescue Plan.

Blue Crane			FINANCE SHEET					
Nr	Creditor	Acronym	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	% Voting Interest	Total Business Rescue Amount
1	ABSA Cheque Account	CC	R 1 327,24			R 1 327,24	0,00%	R 1 327,24
2	Citrus Growers Association	SC	R 1 854 707,05			R 1 854 707,05	4,23%	R 1 854 707,05
3	Fruit Care Services	CC	R 681 788,82			R 681 788,82	1,55%	R 681 788,82
4	Fruitprint	CC	R 1 145 444,00			R 1 145 444,00	2,61%	R 1 145 444,00
5	Genfin	SC	R 2 650 792,43			R 2 650 792,43	6,04%	R 2 650 792,43
6	GoReefers Logistics	CC	R 822 052,34	R 408 455,20		R 1 230 507,54	2,81%	R 822 052,34
7	Hearshaw and Kinnes Analytical Laboratory	CC	R 551 725,15			R 551 725,15	1,26%	R 551 725,15
8	Invictus Logistics	CC	R 49 325,80		R 10 500,00	R 59 825,80	0,14%	R 49 325,80
9	Proximitas (Inter-company laon)	CC	R 980 194,22			R 980 194,22	2,24%	R 980 194,22
10	Strydom and Partners	CC	R 53 670,50	R 2 958,39		R 56 628,89	0,13%	R 53 670,50
11	Sunad Farms	CC	R 33 573 991,63			R 33 573 991,63	76,55%	R 33 573 991,63
12	Veganis GmbH	CC	R 1 069 200,29			R 1 069 200,29	2,44%	R 1 069 200,29
14						R -	0,00%	R -
15						R -	0,00%	R -
TOTAL		12	R 43 434 219,47	R 411 413,59	R 10 500,00	R 43 856 133,06	100,00%	R 43 434 219,47

SUMMARY BY CREDITOR ACRONYM		Count	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	%
SC	Secured Creditors	2	R 4 505 499,48	R -	R -	R 4 505 499,48	10,27%
CC	Concurrent Creditors	10	R 38 928 719,99	R 411 413,59	R 10 500,00	R 39 350 633,58	89,73%
PC	Post Commencement Finance	-	R -	R -	R -	R -	0,00%
D-SC	Disputed Secured Creditors	-	R -	R -	R -	R -	0,00%
D-CC	Disputed Concurrent Creditors	-	R -	R -	R -	R -	0,00%
D-PC	Disputed Post Commencement Finance	-	R -	R -	R -	R -	0,00%
TOTAL		12	R 43 434 219,47	R 411 413,59	R 10 500,00	R 43 856 133,06	100,00%

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure C : Company Registration Documents (CoR123.1)

Companies and Intellectual Property Commission
a member of the dtic group

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION
REPUBLIC OF SOUTH AFRICA

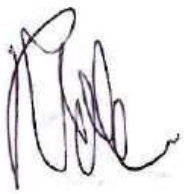
Date:	**29/11/2023**
Customer name:	**JACO DURANDT**
Customer code:	**JA2976**
E-mail address:	**JACO@PE-PARALEGAL.CO.ZA**
Rereference Number:	**60000866758**

The Commission has received a form CoR123.1 Notice to Commence Business Rescue Proceedings in terms of section 129 or court order commencing business rescue proceedings in terms of section 131 of the Companies Act, 71 of 2008, dated 29/11/2023 for:

Company / Close Corporation Name:	**BLUE CRANE EXPORTS CC**
Registration Number:	**2011/060809/23**
Company / Close Corporation Status:	**BUSINESS RESCUE**

The application was duly registered on 29/11/2023 and the effective date of commencement of business rescue proceedings is recorded as 29/11/2023.

Yours sincerely,



Commissioner: CIPC

The Companies and Intellectual Property Commission of South Africa
P.O Box 429,Pretoria, 0001, Republic of South Africa
Docex 256, Pretoria
Contact centre 086 100 2472
www.cipc.co.za

Document issued by the Commissioner of Companies And Intellectual Property Commission on Wednesday, 29 November 2023 at 11:11

Certificate of Confirmation

Registration Number: **2011/060809/23**

Enterprise Name: **BLUE CRANE EXPORTS**

ENTERPRISE INFORMATION

Registration number:	**2011/060809/23**
Enterprise Name:	**BLUE CRANE EXPORTS CC**
Registration Date:	**20/04/2011**
Business Start:	**20/04/2011**
Enterprise Type:	**CLOSE CORPORATION**
Enterprise Status:	**BUSINESS RESCUE**
Financial Year End:	**FEBRUARY**
Main business/Main object	**TRADING AND INVESTMENT**
Tax number:	**9441975167**

Addresses:

Postal Address
P O BOX 310
UITENHAGE

3363
6230

Address Of Registered Office
2 LYNETTE PLACE
GRAAFF REINET ROAD
UITENHAGE
3363
6229

Company Records Location:

Document issued by the Commissioner of Companies And Intellectual Property Commission on Wednesday, 29 November 2023 at 11:11

Certificate of Confirmation

Registration Number: **2011/060809/23**

Enterprise Name: **BLUE CRANE EXPORTS**

Registration Number: **2011/060809/23**

Enterprise Name: **BLUE CRANE EXPORTS CC**

AUDITORS

Name

Postal Address

ACTIVE MEMBERS / DIRECTORS

Full Name	Director Type	ID Number	Appoint. Date	Cellphone Number	Address
SWART MARIKA	MEMBER	7401150035080	19/07/2013	0825784745	Postal:P O BOX 378,KIRKWOOD, KIRKWOOD,3363, 6120 Residential Address: STEENBOKVLAKTE, KIRKWOOD, KIRKWOOD,3363, 6120

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure D : Material List of Assets of the Business

Blue Crane Exports CC

Asset Register

Estimated Liquidation Values

No	Asset Classification by Area	Value ('R)	
1	Loans Due to the Company	R	4 035 238,00
2			
3			
4			
5			
6			
		R	4 035 238,00

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure E : Certificate of the Business Rescue Practitioners

Building 5 | Waterfront Business Park | Pommern Street | Humerail | Port Elizabeth | 6001 | South Africa
PO Box 28302 | Sunridge Park | 6008 | Port Elizabeth | South Africa
C (+27) 82 749 6462 | **E** info@businessrescue360.co.za | **W** www.businessrescue360.co.za

6 May 2024

BUSINESS RESCUE CERTIFICATE

In terms of Chapter 6 of the Companies Act, No 71 of 2008

for

Blue Crane Exports CC

With Reg nr: 2011 / 060809 / 23

Herewith we, the undersigned appointed Business Rescue Practitioners for the abovementioned company, certify the following with regards to the proposed Business Rescue Plan as published to the affected persons:

1. Any and all actual information provided in the plan appears to be accurate, complete, and up to date.

2. The financial statement projections are estimates made in good faith on the basis of factual information and assumptions provided by the directors, staff or external service providers of the company, and as set out in the statements.

3. Due to the limitations in law, the practitioners did however not have the time nor the funds to perform a full due diligence, confirmation audit on the information received, nor employ third parties to verify and update any outstanding annual financial statements and accompanying tax returns.

Quinton (Pat) Pattinson
Snr Business Rescue Practitioner
patp@businessrescue360.co.za

David Masterton
Experienced Business Rescue Practitioner
davidm@businessrescue360.co.za

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure F : Written Fee Agreement (Proposal)

Building 5 | Waterfront Business Park | 9 Pommern Street | Humerail | Port Elizabeth | 6070 | South Africa
P O Box 28302 | Sunridge Park | 6008 | Port Elizabeth | South Africa
T (+27) 41 008 5073 E patp@businessrescue360.co.za W www.businessrescue360.co.za

BR360 INTEGRATED BUSINESS RESCUE

PROPOSAL MADE BY:

Business Rescue 360 (PTY) LTD t/a BR360

2021 / 534306 / 07

(duly represented by Quinton Pattinson & David Masterton)
(hereinafter referred to as the "Consultancy")

TO

Business Trading Name	: Blue Crane Exports
Business Registered Name	: Blue Crane Exports (Pty) Ltd
Business Registration No	: 2011 / 060809 / 07
Contact	: Marika Swart
Email Address	: marika@srvalley.co.za

(duly represented by Marika Swart)
(hereinafter, referred to as ""the Client")

WHEREAS The Client wishes to enter into a professional working agreement with ***BR360***, and

WHEREAS ***BR360*** accepts this request based on the terms as set out in this proposal, and

The parties hereby agree as follows:

1. PROJECT SCOPE AND FEES

1.1. Herewith the proposal of the terms and objectives of our engagement and the nature and limitations of the services that BR360 will provide.

1.2. BR360 proposes to perform the following services as requested by the client and report to the client the outcomes resulting from our work. The client upon signature hereof will have agreed to accept the terms as set out for this project by BR360.

2. PROJECT PURPOSE

2.1. To submit the business to voluntary business rescue proceedings in order to facilitate the rehabilitation of the business by providing for the temporary supervision of the business and the development and implementation of a business rescue plan to restructure the affairs and liabilities of the business in a manner that maximises the likelihood of the company continuing in existence on a solvent basis or alternatively provide for a better return to the affected parties than would result from the immediate and traditional liquidation of the business.

3. PROJECT DESIRED OUTCOME

3.1. The desired outcome is the successful implementation of a business rescue process, achieving the goals as set out in the definition of business rescue contained in section 128(1)(b)(i) to (iii) of the Companies Act (the Act).

3.2. Where "Business Rescue" means the proceedings as set out in Chapter 6 of (the Act) to facilitate the rehabilitation of the company that is financially distressed.

4. PROJECT COSTING

4.1. BR360 proposes the following fee structure for the completion of the abovementioned project.

4.2. The terms of which are as follows:

4.3. The Business Rescue Practitioners have agreed to be paid:

4.3.1. Hourly rate (or part there-of) in terms of regulation 128 of the Companies Act

4.3.2. Expenses – including travel at prescribed rates, overnight charges, subsistence allowances as and when incurred.

4.4. Administration:

4.4.1. Filing the company business rescue documentation, preparation and confirmation: R10 000.00 (once-off payment prior to commencement)

4.4.2. Dedicated Business Rescue administration service to be provided at a cost of: R3 500.00/month retainer.

5. **Contingencies:**

5.1. In terms of the Companies Act Section 143(2), the consultancy will be entitled to contingencies, the consultancy hereby proposes the following:

5.2. Although the business and the consultancy may reach an agreement in relation to terms for payments and fee structures, it is a requirement in terms of the Companies Act, that the agreed to fees must be approved by creditors at a meeting called for that purpose.

5.3. The Business Rescue Practitioners will be entitled to receive a 10% dividend on all assets sold as part of the Business Rescue Process.

5.4. This 10% is to be shared with the respective "agent" – be this a real estate agent, broker, auctioneer or any other party that facilitated the sale.

5.5. Should the business or part thereof be sold as a going concern and or the shares or members' interest or part thereof be disposed of the Business Rescue Practitioners shall be entitled to a commission of 10%.

5.6. This 10% is again to be shared with the respective "agent" – be this a real estate agent, broker, auctioneer, or any other party that facilitated the sale.

5.7. The Business Rescue Practitioners shall be entitled to a success fee of 1.5% of any post commencement finance that is raised for the business during the business rescue process or thereafter.

5.8. The Business Rescue Practitioners will be entitled to receive a 1.5% success fee on the turnover of the business during the rescue process, subject to the business showing a profit whilst maintaining its ability to pay its ongoing liabilities.

5.9. It is a condition of the agreement that all of these contingencies will be held in a trust account where during the rescue process, only the applicable VAT will be paid to SARS. The remaining capital will remain in trust until such a time as the business files for substantial implementation. Should the business rescue process not be successful, and the matter convert to a liquidation, the remaining capital amount will be paid to the appointed liquidator.

6. LIQUIDATION DEPOSIT

6.1. The consultancy requires a liquidation deposit to be paid into the trust account of an attorney nominated by the business rescue practitioner. This deposit is required to cover the costs should the company have to enter liquidation proceedings for whatever reason. Confirmation of such liquidation deposit is required before commencement of the business rescue proceedings.

7. AGREEMENT OF TERMS

7.1. This fee agreement must be read with the terms and conditions as set out in the letter of engagement, memorandum of agreement and any other agreement that may be concluded between the client and the consultancy.

7.2. All third party and sub-contractor's fees are for the account of the client.

7.3. Penalty interest equal to the maximum Mora Interest allowed as per the Prescribed Rate of Interest Act (Act No. 55 of 1975) will be levied on all outstanding invoices.

7.4. The client shall within five (5) working days of receipt of invoices raise any queries it may have in respect of such invoices, whereafter the amounts reflected will be accepted as correct and the client will be barred from raising any further queries.

7.5. All attorney's debt collectors' costs will also be recovered from the client on the attorney-and-client scale or on the official tariffs applicable to registered debt collectors. This is inclusive of the collection commission costs of the debt collector at a rate of no more than 15% on the full amount outstanding.

7.6. The client will place all the assets of the group of entities, including the trust, not yet secured with any other party of the business, as security and all invoices raised, including those for contingencies, will be considered as secured on this basis.

7.7. The solvency or insolvency of the client shall have no effect upon the terms of payment of these fees. Reliance will be placed on the security over the assets as per point 6 above and should it not be possible to attach any such items, a deposit will be required to commence work and to secure fees at the onset of the project.

7.8. The client will be responsible for the payment of the costs relating to the professional indemnity cover for the appointed business rescue practitioner/s. It is a requirement in law that practitioners obtain professional indemnity cover for each individual rescue appointment.

7.9. It is a requirement of our Professional Indemnity Insurance that we limit our liability in regard to professional engagement services provided, to a maximum of two times fees billed for a specific project or matter. The client and BR360, therefore agree and accept that BR360's liability in respect of professional engagements, shall be limited in this way.

7.10. The submission and payment of any statutory obligations remains the responsibility of the directors/shareholders of the company.

Signature	Name	Date	Signed at
	Marika Swart	6/12/2023	Kirkwood

By signing this document, the client confirms that this letter and the contents herein have been brought to their attention, and that the signatories have been duly authorized by the relevant parties to sign this letter on their behalf and the signature confirm the accuracy of the information provided and that BR360 may use this information for invoicing, referencing and marketing purposes.

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure G : Disclaimer

DISCLAIMER

All the affected parties' attention is specifically drawn to the disclaimer provisions set out hereunder:

1. The business rescue practitioners have compiled this proposed business rescue plan[1] based on the information provided to them by, *inter alia* the directors, creditors and third parties which information the business rescue practitioners will endeavour to confirm its accuracy.

2. The BRPs have relied on the information provided and accepted all documents delivered to them as being authentic and a true reflection of the business, its property and its financial situation.

3. However, as a result of the limitations in law and availability of funds and time, the practitioners have not carried out a full confirmation audit of the company's documents as provided, nor have the practitioners had adequate time and/or opportunity to independently verify all the information provided.

    a. This does not deter from the fact that the practitioners present the information as contained in the proposed business rescue plan as 'reasonable' and 'fair'. Where estimates are made,[2] these are estimates only, but are made in good faith[3] and the practitioners acknowledge that the affected persons must be able to adequately apply their minds when considering the proposed rescue plan and to determine whether or not to vote in favour of the adoption of such plan.[4]

    b. The business rescue practitioners have taken all reasonable and necessary steps to verify information and data provided to them within the time constraints and resources available to them and the company as provided for in the Act.[5]

[1] Section 150 of the Companies Act 71 of 2008.
[2] Where forecasts - specifically financial forecasts - are made, they are based on the data made available to the BRPs and in good faith.
[3] Section 150 (4) (b) of the Act.
[4] Section 150 (2) of the Companies Act 71 of 2008.
[5] Chapter 6 of the Companies Act.

c. Business rescue is inherently a public affair and the BRPs have a duty to disclose to any affected persons sufficient and accurate information for such affected person and/or creditor to make an informed decision as to the affairs of the company and to vote on the plan. This implies that certain trade secrets, client data and other information will inevitably be made available to affected persons.[6]

4. The BRPs have, where relevant, engaged expert third party professionals such as legal advisors, accountants, valuators and financial advisors and have relied on such professional opinions in compiling this proposed business rescue plan.

5. The BRPs do not express an opinion outside of their expertise and where relevant, such opinions are informed by advice received from the relevant professional.

   a. Any such statement of opinions expressed by the BRPs are so given in good faith and based on the information the BRPs believe to be true and correct.

6. The BRPs do not accept any responsibility, in any way whatsoever, to any party in respect of any errors that may be the result of incorrect information that was provided to them and used in this proposed business rescue plan.

7. All affected parties are advised to obtain independent legal opinion in respect of the content of this plan. Should they require such opinions, the BRPs cannot advise an affected person, as such action may be deemed to be prejudicial.

   a. Nothing contained in this proposed business rescue plan shall be deemed to constitute legal 'advice'. Although reference is made to the Companies Act and various other forms of legislation, the BRPs hereby confirm that they are not attorneys and the opinions given and statements made are simply their understanding of the law and such statements/opinions are given without prejudice.

[6] The Protection of Personal Information (POPI) Act, as an essential data protection legislation, acknowledges the need for businesses to safeguard personal information and trade secrets. In compliance with the Act's requirements, balanced with the Companies Act requirements, certain elements of personal information or proprietary knowledge may be included within the business rescue plan to ensure its validity and efficacy.

8. The Act[7] compels the BRPs to investigate the affairs of the company, however the BRPs do not have powers like that of a liquidator to subpoena witnesses and interrogate them. The investigations into the affairs of the company are based on the information provided and the documents made available to the BRPs, by those willing to provide such information.

9. All notifications made to affected parties and particularly the creditors, are based on the information provided to the BRPs by the directors and as extracted from the accounting records made available to the BRPs. The BRPs have taken all reasonable and necessary steps to determine who are affected persons and given such persons due notice.

10. The BRPs have contacted all the affected persons, known to them, that might have a claim against the business via email and/or telephone.

11. This proposed business rescue plan will be binding on all creditors should a successful vote on the plan be achieved in terms of the Act.[8]

[7] Section 141 of the Companies Act 71 of 2008.
[8] Section 152 of the Companies Act 71 of 2008.

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure H : Draft Liquidation and Distribution Account

DRAFT LIQUIDATION AND DISTRIBUTION ACCOUNT

FOR THE AFFECTED PERSONS OF

BLUE CRANE EXPORTS CC

Registration nr: 2011 / 060809 / 23

For the purposes of displaying the proposed scenario should Blue Crane Exports opt to liquidate

Please bear in mind that the information contained herein is as received from the business, its management, accountants and other parties. Claims included in the LND account are as received by the affected persons and have not been fully scrutinised, but for the purposes of this exercise, the LND account appears to be a relatively accurate description of the facts and the draft is prepared in good faith.

Claims Received

Blue Crane			FINANCE SHEET					
Nr	Creditor	Acronym	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	% Voting Interest	Total Business Rescue Amount
1	ABSA Cheque Account	CC	R 1 327,24			R 1 327,24	0,00%	R 1 327,24
4	Citrus Growers Association	CC	R 1 854 707,05			R 1 854 707,05	4,39%	R 1 854 707,05
5	Fruit Care Services (Claim in Dollars)	CC	R 36 394,00			R 36 394,00	0,09%	R 36 394,00
6	Genfin	D-SC	R 2 650 792,43			R 2 650 792,43	6,28%	R 2 650 792,43
7	GoReefers Logistics	CC	R 822 052,34	R 408 455,20		R 1 230 507,54	2,91%	R 822 052,34
8	Hearshaw and Kinnes Analytical Laboratory	CC	R 551 725,15			R 551 725,15	1,31%	R 551 725,15
9	Invictus Logistics	CC	R 49 325,80		R 10 500,00	R 59 825,80	0,14%	R 49 325,80
10	Strydom and Partners	CC	R 53 670,50	R 2 958,39		R 56 628,89	0,13%	R 53 670,50
11	Fruitprint	CC	R 1 145 444,00			R 1 145 444,00	2,71%	R 1 145 444,00
12	Veganis GmbH	CC	R 1 069 200,29			R 1 069 200,29	2,53%	R 1 069 200,29
13	Sunad Farms	CC	R 33 573 991,63			R 33 573 991,63	79,50%	R 33 573 991,63
TOTAL		13	R 41 808 630,43	R 411 413,59	R 10 500,00	R 42 230 544,02	100,00%	R 41 808 630,43

SUMMARY BY CREDITOR ACRONYM		Count	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	%
SC	Secured Creditors	-	R -	R -	R -	R -	0,00%
CC	Concurrent Creditors	10	R 39 157 838,00	R 411 413,59	R 10 500,00	R 39 579 751,59	93,72%
PC	Post Commencement Finance	-	R -	R -	R -	R -	0,00%
D-SC	Disputed Secured Creditors	1	R 2 650 792,43	R -	R -	R 2 650 792,43	6,28%
D-CC	Disputed Concurrent Creditors	2	R -	R -	R -	R -	0,00%
D-PC	Disputed Post Commencement Finance	-	R -	R -	R -	R -	0,00%
TOTAL		10	R 41 808 630,43	R 411 413,59	R 10 500,00	R 42 230 544,02	100,00%

* For the purposes of this LND account - all contingent liabilities have been removed (such as sureties)
The reason for this is to give an accurate picture of the debt for which Blue Crane Exports is the principal debtor.

*There is a single disputed secured creditor, as this creditor does not have any registered bonds or security over a tangible asset, as such, all claims recieved are being viewed as concurrent.

Free Residue Account

Receipts

Description	VAT	Receipts
Recovery of the two loans receiveable, one from Steenbokvlakte and the other from Tracto Trading (No VAT Applicable as this is a loan recovery)		R4 035 238,00 **
Totals		**R4 035 238,00**

Output VAT (Received)	**R0,00**
Input VAT (Paid)	**R67 338,01**
SARS VAT per this account	**-R67 338,01**

Positive Means owing to SARS

Section 89 Costs

Description	VAT	Payments
Pro-rata Masters Fee per Pro-rata Schedule	No VAT applicable to Master's Fees	R214 675,00
Bond Cost per Pro-rata Schedule		R45 000,00
Liquidator / Trustee Fee Per Schedule A (10% on loans collected)	R59 344,31	R454 973,08
Taxed Bill of Costs of Attorney doing the liquidation	R7 173,91	R55 000,00
Second meeting of creditors advertisement	R58,70	R450,00
Inspection and confirmation adverts	R71,74	R550,00
Petties, postage and stationery	R37,17	R285,00
Trustees costs for Storage of Records and other information	R652,17	R5 000,00
	R0,00	
	R0,00	
	R0,00	
SARS VAT per this Account		-R67 338,01
Totals		**R708 595,07**

Total Available for Distribution	**R3 326 642,93**
Total Due to Creditors who will share in Free Residue	**R41 808 630,43**
Total Due to Creditors + Interest if Applicable	**R42 220 044,02**
Proposed Dividend (cents in the rand)	**7,96**
Shortfall	**R38 893 401,09**

** The recoveries of these loans is by no means guaranteed - This is in fact a "Best Case Scenario" for Blue Crane Exports
Should these loans not be recoverable, there will be no receipts of funds for the liquidation process whatsoever

SCHEDULE A - Trustees Fees

Free Residue Account

Sale amount	%	Standard Commission		
R4 035 238	10	403 523,80		
	Vat on Sale			
Sale Ex VAT	3 508 902,61			
Sale VAT	526 335,39	78 950,31		
		7 895,03		
Commission ex VAT		395 628,77		
			X VAT	VAT
Commission Inc VAT		**454 973,08**	395 628,77	**59 344,32**

SCHEDULE B - MASTERS FEES

Pro Rata Master's Fees

Asset Account:	Total Assets:	Master's Fee:
Free Residue	R4 035 238	R214 675,00
Total Asset Value:	R4 035 238	R214 675

Calculate Total Masters Fee

4035238				
3885238		R1 000		R1000 for 1st R150 000
777,05		R213 675		R275 for Each R5 000
Total Master's Fee		R214 675		

SCHEDULE C - Pro Rata Calculations

Pro Rata Bond Cost

Asset Account:	Total Assets:	Bond Cost:
Free Residue	R4 035 238	R45 000,00
Total Asset Value:	R4 035 238	R45 000

VAT Schedule

Account	Output VAT	Input VAT	Payable / Refund
Free Residue	R0,00	R67 338,01	-R67 338,01
Totals	R0,00	R67 338,01	-R67 338,01

Payable to SARS if positive, Refund from SARS if negative

DISTRIBUTION ACCOUNT

No	Creditor	Claim Amount		Concurrent claim	Concurrent award	Deficiency
1	ABSA Cheque Account	R 1 327,24		R 1 327,24	R 105,65	R 1 221,59
2	Citrus Growers Association	R 1 854 707,05		R 1 854 707,05	R 147 634,68	R 1 707 072,37
3	Fruit Care Services (Claim in Dollars)	R 36 394,00		R 36 394,00	R 2 896,96	R 33 497,04
4	Genfin	R 2 650 792,43		R 2 650 792,43	R 211 003,08	R 2 439 789,35
5	GoReefers Logistics	R 822 052,34		R 822 052,34	R 65 435,37	R 756 616,97
6	Hearshaw and Kinnes Analytical Laboratory	R 551 725,15		R 551 725,15	R 43 917,32	R 507 807,83
7	Invictus Logistics	R 49 325,80		R 49 325,80	R 3 926,33	R 45 399,47
8	Fruitprint	R 1 145 444,00		R 1 145 444,00	R 91 177,34	R 1 054 266,66
9	Veganis GmbH	R 1 069 200,29		R 1 069 200,29	R 85 108,34	R 984 091,95
10	Sunad Farms	R 33 573 991,63		R 33 573 991,63	R 2 672 489,73	R 30 901 501,90
Total		**R 41 808 630,43**		**R 41 808 630,43**	**R 3 327 966,98**	**R 38 480 663,45**

BANK RECONCILIATION STATEMENT

Amounts already collected by the trustee		
Income from the Loans Collected		R 4 035 238,00
VAT Refund from SARS		R 67 338,01
TOTAL		**R 4 102 576,01**
Expenses already paid by the trustee:		
Allsure bond of Security	R 45 000,00	
TOTAL	**R 45 000,00**	
Bank Balance at date of Account drafting:	**R 4 057 576,01**	
Payments Still to be Made:		
Master's fees	R 214 675,00	
Trustee's remuneration	R 454 973,08	
Inspection and confirmation adverts	R 550,00	
Postage and petties	R 285,00	
Attorneys Fees	R 55 000,00	
Cost of advertising 2nd Meeting of Creditors	R 450,00	
Trustees costs for Storage of Records	R 5 000,00	
TOTAL	**R 730 933,08**	
Awards to creditors still to be made:		
ABSA Cheque Account	R 105,65	
Citrus Growers Association	R 147 634,68	
Fruit Care Services (Claim in Dollars)	R 2 896,96	
Genfin	R 211 003,08	
GoReefers Logistics	R 65 435,37	
Hearshaw and Kinnes Analytical Laboratory	R 43 917,32	
Invictus Logistics	R 3 926,33	
Strydom and Partners	R 4 272,17	
Fruitprint	R 91 177,34	
Veganis GmbH	R 85 108,34	
Sunad Farms	R 2 672 489,73	
TOTAL	**R 3 327 966,98**	
	R 4 103 900,07	**R 4 102 576,01**

Blue Crane Exports Close Corporation

Registration nr: 2011 / 060809 / 23

Annexure I: Projected Financials

0	2024
	TOTAL
Commission received	1 444 000
Cost of Sales (salaries and wages)	-
Gross profit	**1 444 000**
Total GP	**1 444 000**
GP %	*100,00%*
Expenses	**1 267 680**
Accounting fees	19 180
Advertising	
Bad debts	-
Bank charges	18 000
BRP fees	300 000
Computer expenses	-
Consulting fees - Export Audits	930 500
Consumables	-
Donations/sponsorship	-
Electricity & water	-
Entertainment	-
General expenses	-
Insurance	-
Cleaning	-
Legal fees	-
Medical expenses	-
Member remuneration	-
Motor vehicle expenses	-
Office equipment	-
Payroll system	-
Petrol/diesel	-
Printing & stationery	-
Provident fund	-
Rent	-
Repairs and maintenance	-
Salaries & wages (fixed)	-
Staff garnishees	-
Staff training	-
Staff transport	-
Staff welfare	-
Subscriptions	-
Telephone & internet	-
Travel & accommodation	-
Uniforms/safety	-
Union fees	-
Workmen's Compensation	-
Net income before depreciation and finance costs	**176 320**
Depreciation / Asset Repayment	-
Finance expenses	**-**
Finance costs	-
Interest paid	180 000
Net Income	**-3 680**
NP%	*-0,25%*
Taxation Payable	**-1 030**
Net Income after Taxation	
BR repayments (historical debt)	
Net cash flow	**-2 650**

	Estimation 2024
ASSETS	
Non-current assets	*6 424 086*
Property, plant and equipment	63 992
Loan receivable	-
Fixed deposits	-
Related party borrowings	6 360 094
Other non-current assets	
Current assets	*176 152*
Trade receivables	-
Other receivables and prepayments	-
Inventory on hand	
Loan to director/shareholder	
Cash and cash equivalents	
Current tax receivable	176 152
Total Assets	**6 600 238**
EQUITY AND LIABILITIES	
Equity	-38 643 496
Share capital/ Members contributions	100
Retained earnings/ (Accumulated loss)	-2 650
Revaluation reserves	-38 640 946
Non-current liabilities	*1 616 893*
Loans payable	
Long-term borrowings	-
Loans from director/shareholder	666 277
Related-party borrowings	950 616
Deferred tax	-
Current liabilities	*43 626 841*
Current portion of long-term borrowings	
Vat Clawback	192 622
Creditors claim	43 434 219
Bank overdraft	
Total Equity and Liabilities	**6 600 238**

Building 5 | Waterfront Business Park | Pommern Street | Humerail | Port Elizabeth | 6001 | South Africa
PO Box 28302 | Sunridge Park | 6008 | Port Elizabeth | South Africa
C (+27) 82 749 6462 | **E** info@businessrescue360.co.za | **W** www.businessrescue360.co.za

ANNEXURE J

To Whom It May Concern

This annexure is attached to all proposed business rescue plans to provide a summary of how the group will be rehabilitated and to reiterate the interconnectedness of the group. It serves as a high-level overview and cannot be read in isolation from the respective business rescue plans.

The four entities in business rescue will each naturally require their own business rescue plans to be published, voted on, and adopted by their creditors. The trust will simply present a proposal to its creditors with the hope that this proposed plan is accepted to the extent that it is reasonable to be implemented by the trustees and other key decision-makers.

It is the view of the practitioners that if they are allowed to implement these business rescue plans, together with the rehabilitation of the trust, all creditors will be substantially better off in comparison with a liquidation or sequestration of any of these entities.

The practitioners further acknowledge that the plans are potentially premature and that it may be necessary to publish amended plans in the future. The publication of these plans is necessitated by the insistence from creditors that the publication of the business rescue plans cannot be delayed. Should the practitioners have had the time to fully investigate the respective entities, additional information would have been shared.

The outcomes of these plans would not materially change the projected dividends paid to creditors.

In order to fully investigate the affairs of the group, the practitioners need to perform a “mini forensic audit” on the respective entities, and at best, this would take another 6 months once all information is received by the practitioners. It is important to note that we have requested the information and have gone to the extent of formally requesting some information via our attorneys Fluxmans without the curtesy of a reply.

The practitioners however agree that it is not reasonable for creditors to wait for this before publishing any plans.

Building 5 | Waterfront Business Park | Pommern Street | Humerail | Port Elizabeth | 6001 | South Africa
PO Box 28302 | Sunridge Park | 6008 | Port Elizabeth | South Africa
C (+27) 82 749 6462 | **E** info@businessrescue360.co.za | **W** www.businessrescue360.co.za

Contents

1. DEFINITIONS: 3
2. EXECUTIVE SUMMARY: 5
3. INFORMATION RECEIVED FROM VARIOUS STAKEHOLDERS: 5
4. SECTION 141 INVESTIGATION: 7
5. POST BUSINESS RESCUE OBLIGATIONS: 8
6. REASON FOR CURRENT FINANCIAL DISTRESS: 8
7. PROPOSED REHABILITATION PROCESS: 10
7.1. **Blue Crane Exports CC:** 10
7.2. **Steenbokvlakte Sitrus Ontwikkeling (Pty) Ltd:** 11
7.3. **Tracto Trading 100 CC:** 13
7.4. **Proximitas Investments 60 (Pty) Ltd:** 15
7.5. **Blackie Swart Family Trust:** 18
8. SALE OF IMMOVABLE ASSETS. 20
9. CONCLUSION 21

1. DEFINITIONS:

1.1. "**Act**" means the Companies Act 71 of 2008 as amended;

1.2. "**Affected Persons**" means affected persons as defined in Section 128 (1) of the Act and in relation to the Company means a shareholder, creditor and the employees of the Company;

1.3. "**Assets**" means all assets of the Business as reflected in the books of account of the Business as at the commencement date;

1.4. "**Auction Value**" means an estimate of the realisable value of the Business assets on a public auction where a sale is concluded upon the fall of the hammer, to the highest cash bidder during an auction, reasonably well advertised and attended by members of the public;

1.5. "**BRP/s**" means Pat Pattinson and David Masterton as defined in Regulation 126 to the Act;

1.6. "**Business Rescue**" means the proceedings in terms of Chapter 6 of the Act and as defined in Section 128 (1)(b);

1.7. "**Creditor/s**" means all legal entities, including natural persons, having secured, preferent and/or concurrent claims against the Business as at the commencement date as envisaged in the Insolvency Act;

1.8. "**Concurrent Creditors**" means creditors having concurrent claims as envisaged in the Insolvency Act;

1.9. "**Commission**" means the Companies and Intellectual Property Commission of South Africa which is a division of the Department of Trade and Industry and is responsible for the register of companies in South Africa;

1.10. **Historic Debt**" means the debt owed by the Business as at the date of filing;

1.11. "**Independent Creditors**" means all Creditors having Claims against the Business other than creditors related to the Business and its subsidiaries and/or directors;

1.12. "**Insolvency Act**" means the Insolvency Act 24 of 1936 as amended;

1.13. "**Legal Moratorium**" means the moratorium granted by section 133 of the Act in terms of which no legal action against the Business can be commenced;

1.14. "**Moratorium period**" means the period after the publication of the business rescue plan during which the Business proposes to make no payments towards the historic debts;

1.15. "**PCF**" means Post Commencement Financing provided by a financier to the Company as envisaged in terms of section 135 of the Act;

1.16. "**Preferent Creditors**" means creditors having preferent claims as envisaged in terms of the Insolvency Act;

1.17. "**Proceedings**" means business rescue proceedings as provided for in Chapter 6 of the Act;

1.18. "**Proof of Claim**" means the full and total claim of a Creditor against the Business, in the specified format provided by the BRP/S subject to the final approval by the BRP/S;

1.19. "**Related Parties**" means, as provided in Section 2 of the Act, all persons and/or companies and/or legal entities related either directly or indirectly to the Business as at the Commencement Date;

1.20. "**Secured Creditors**" means creditors having secured claims as envisaged in the Insolvency Act;

1.21. **"Statutory Obligations**" means, the legally mandated duties and responsibilities that directors must fulfil in their role as custodians of the company. These obligations are designed to promote good corporate governance, transparency, accountability, and the protection of the interests of the company, its shareholders, employees, and creditors. These obligations include, but are not limited to, any and all submissions to SARS, provident funds, bargaining councils and other statutory bodies;

2. EXECUTIVE SUMMARY:

2.1. The shareholders, members, directors and trustees together with their legal and financial advisors met with Pattinson, Masterton and Durandt during the course of November 2023 on several occasions. The respective financial distresses of the entities were discussed and based on the information provided at that time the shareholders, members, directors and trustees together with their legal and financial advisors of the entities decided to submit the businesses to formal business rescue proceedings and to provide Mr Masterton with a power of attorney to act on behalf of the trust to facilitate the rehabilitation of the group.

2.2. The group consists of the following five entities :

2.2.1. Blackie Swart Family Trust with Reg No: IT 390 / 2004
2.2.2. Blue Crane Exports CC, Reg No: 2011 / 060809 / 23 (in BR)
2.2.3. Proximitas Investments 60 (Pty) Ltd, Reg No: 2001 / 012801 / 07 (in BR)
2.2.4. Tracto Trading 100 CC, Reg No: 2011 / 077156 / 23 (in BR)
2.2.5. Steenbokvlakte Sitrus Ontwikkeling (Pty) Ltd, Reg No: 2017 / 318606 / 07 (in BR)

3. INFORMATION RECEIVED FROM VARIOUS STAKEHOLDERS:

3.1. The information received from the shareholders, members, directors and trustees cannot be relied on as the practitioners have discovered inconsistency from their very basic investigation into the entities.

3.2. The writer will furnish only select high-level examples to substantiate this assertion, recognizing that further investigation and confirmation by the practitioners are necessary.

3.2.1. It is common practice for these entities not to separate expenses and to simply capture the expenses into the account of whatever business indicated a profit, irrespective of whether that entity actually made the payment or benefited from the expense incurred.

3.2.2. Loan accounts between the entities do not correspond to each other for the same periods.

3.2.3. Asset registers do not match between what was contained in the financials versus the information provided by senior management and what could be found on the ground.

3.2.4. The trial balances don't balance, with significant suspense accounts, some opening balances carry these suspense accounts forward.

3.2.5. There are connected loan accounts in the AFS from entities not connected to the entities and where transactions were settled years ago.

3.2.6. The entities are unable to provide the most basic source documents for both assets and liabilities; this extends to Section 45 documents for connected loans, substantial purchases and expenses incurred.

3.2.7. In some cases, the line items on the asset register refer to the entities where these assets where purchased from, and provide no description of the asset itself. Substantial personal purchases were also captured and written off in the business.

3.2.8. It is a concern that the holiday home was purchased in the trust and that all furniture and fittings may have been expensed in an incorrect manner.

3.2.9. The entities were unable to provide any copies of payslips for salaried staff, and the practitioners were informed that this was never done.

3.2.10. Payments to external businesses were captured to loan accounts, but when this was questioned, the practitioners were informed that these payments were not loans but for the payment of invoices. The practitioners have asked for these invoices since early December without any being provided to date.

3.2.11. A substantial amount of information has been requested from both senior management and the accountant and remains outstanding. This information should be at the fingertips of any businesses and readily available.

3.2.12. Virtually no response has been received from formal Letters of Demand in relation to the connected loan accounts to individuals.

3.2.13. The practitioners have been unable to secure copies of the latest signed AFS's, with some AFS's outstanding since 2021 and no signed AFS for Steenbokvlakte can be presented. This has resulted in some submissions being outstanding to SARS.

3.2.14. Immediately before the commencement of the rehabilitation processes, some retrenchments were initiated, whilst senior management knew they did not have the funds to settle these retrenchment packages.

3.2.15. The practitioners were originally informed that no funds would be needed for the 2024 harvest as the business had secured funding from one of their overseas clients as part of an equity transaction. The practitioners communicated with this investors who were just as surprised with the statement as the practitioners.

3.3. The above is not intended to insinuate any wrong doing or to lay any blame, it is simply to motivate that substantial investigations is still do be done.

4. SECTION 141 INVESTIGATION:

4.1. Some irregularities have been found and will be reported to the appropriate authorities for further investigation once the internal investigations are complete. The seriousness and nature of some of these matters do not allow for the practitioners to openly discuss them at this point in time.

4.2. Where possible, these findings will be shared with affected persons as and when prudent to do so.

4.3. It is however necessary for the respective financials to be updated and corrected in order for them to be used to facilitate the Section 141 investigation.

4.4. It can, however, be stated that the outcomes of these investigations will not materially affect the dividends that are intended to be paid to creditors.

5. POST BUSINESS RESCUE OBLIGATIONS:

5.1. It has been determined that substantial irregularities have become evident on the annual financial statements provided to the practitioners and in some instances these financials have not been completed and or submitted to the CIPC or SARS. This must be corrected and any debt and or penalties and fines will have to be paid by the respective entities in full as they will not be subject to any compromise in terms of Chapter 6 of the Companies Act.

5.1.1. It is estimated that this process could take as much as 12 months in order to correctly state the current and future affairs of the business.

5.2. Based on the partial information that has been shared with the practitioners to date, it is clear that additional investigations into the respective entities affairs, business, property, and financial situation would be required.

5.2.1. The delay in this respect is predominantly the financials of the entities that needs to be corrected and or completed.

5.2.2. Based on their interactions with senior management and trustees, the practitioners have identified significant doubts about the current leadership's business acumen and their capacity to manage a group of this size. Consequently, it is necessary to recruit an external Chief Executive Officer and Chief Financial Officer, as well as to appoint a Chief Operating Officer. Consideration may be given to existing staff for the COO position.

5.2.3. Additionally, the hierarchy must be reshuffled to appropriately size the group. This process will include realigning staff roles and is likely to involve some retrenchments and changes in positions.

6. REASON FOR CURRENT FINANCIAL DISTRESS:

6.1. From the onset, the practitioners were informed that the financial distress of the respective entities was the result of a poor harvest caused by black spots, excessive rainfall, and other natural occurrences that negatively affected the exported fruit. The affected fruit was then rejected by the overseas clients; it had to be repacked and redirected at a substantial cost to the company, resulting in financial losses.

6.2. It is, however the view of the writer that the given explanation for financial distress is not factually accurate. While it is true that black spots were discovered and the fruit was rejected, repacked, and redirected, this was not due to natural occurrences as inferred by the management of the respective entities. The practitioners believe that the black spots were largely the result of poor farming practices, which in turn were due to insufficient funding provided to the farm managers and their teams. The lack of funds and the reason for the ultimate financial distress should be attributed to the failure of senior management, who allocated funds towards purchasing additional farms, that required substantial funding to purchase and then maintain. They further expended resources on non-income-generating assets such as holiday homes, personal homes, and other non-business-related expenses.

6.2.1. This will be investigated and reported in accordance with Section 141 of the Companies Act.

6.3. Had senior management not incurred these costs, sufficient funds would have been available for proper spraying, weeding, fertilization, and other necessary farming activities and the funding of exports, including but not limited to paying freight forwarders and shipping companies. It was the neglect of these essential practices that created conditions conducive to the development of black spots and other issues leading to the rejection of the fruit.

6.4. However, this requires that the rehabilitation of the entities focuses on proper farming practices. By way of a simple example: Valencia fruit should be harvested at around 40 to 45 tons per hectare. The current yield for the farms is between 11 and 12 tons per hectare. (The previous record yield from these farms was 56 tons.) Although this yield provides a breakeven for the respective farms, it is insufficient to cover the costs of the businesses while unrelated expenses must also be met.

6.5. The rehabilitation of the businesses thus requires a two-pronged approach. The first step is the sale of all unrelated and non-contributing immovable assets. This will not only generate an immediate cash injection but will also reduce the monthly costs for the businesses in terms of insurance, electricity, water, staff, and other recurring expenses. These savings can then be redirected to the farming activities of the businesses and possibly to the repayment of historical debt. The second, and probably most crucial step, is the re-implementation of

proper farming practices. It is projected, and confirmed by external parties, that the business could increase its yield from 11 to 12 tons per hectare to around 30 tons with relative ease. The cost savings from the sale of immovable assets will be sufficient for this purpose. The actual income from the sales could then be allocated to the creditors.

7. PROPOSED REHABILITATION PROCESS:

7.1. Blue Crane Exports CC:

7.1.1. Blue Crane is a CC that was purely used for exporting the fruits and, as such, held all of the certifications and licencing required for the farms to export.

7.1.2. It is the writer's view that this entity is the biggest inhibitor of the group's rehabilitation process. This entity has no material assets, and several loans were incurred by the connected entities to pay for the operations of this entity. Additionally, the services of an external freight company were used to assist with the exports and paid by the trust for work that was to be done by Blue Crane.

7.1.3. It must further be noted that almost all licensing and certification that are to be maintained by Blue Crane have lapsed, and the practitioners were tasked with renewing these in order to export the 2024 harvest.

7.1.4. Another point of concern is that the staff member (employed by the trust) charge with the exporting and freight operations of Blue Crane is also the managing director of the external company used to assist Blue Crane.

7.1.5. The total debt of Blue Crane to its creditors is in excess of R 44m. It is thus the intention of the practitioners to provide a business rescue plan that will be more advantageous than the immediate and traditional liquidation of Blue Crane and base payments on the R 45.347m owed to it (of which we envisage around R4.6m is collectable) by other entities within the group. Failing this, Blue Crane will be liquidated.

7.1.6. The services previously provided by Blue Crane have been outsourced to a new and truly independent service provider and are being performed at a substantial cost saving.

7.1.7. During the rehabilitation process, Blue Crane will receive 1% (one) of total turnover from all connected entities to finance its operations and business rescue costs in order to use the certification currently held by Blue Crane.

7.1.8. Once the business rescue process for Blue Crane has concluded, the business will be handed back to its member for continued operations or its closure.

7.2. **Steenbokvlakte Sitrus Ontwikkeling (Pty) Ltd:**

7.2.1. Steenbokvlakte is one of the trading entities and owns two farms where citrus is being grown for the group. These farm contributes only a small portion to its turnover and future growth plans would have seen these farms as substantially better contributors, but under the current circumstances the group cannot afford the cost of developing these farms and they are both currently running at a loss.

7.2.2. These farms are:

7.2.2.1. Look Out with a market value of R 7 176 000 and a forced sale value of R 4 305 000.

7.2.2.2. Steenbokvlakte with a market value of R 6 545 000 and a forced sale value of R 3 927 000.

7.2.3. The proposal to creditors are to sell both farms in order to settle the debt of this business.

7.2.4. The total debt of the business is about R 3 137 887.

7.2.4.1. Of this about R 3 082 730 is owed to Blue Crane and must be paid to Blue Crane from the proceeds of the sale to settle its debts.

7.2.4.2. The remaining R 55 157 is owed to SARS and the Sundays River Water Use Association and will be paid in full from the proceeds of the sales.

7.2.4.3. In addition to the above, the farm Steenbokvlakte stand as security to Kaap Agri for the amount of R 10 575 189. This is security only and the debt originates from the Blackie Swart Familie Trust.

7.2.4.3.1. However, it is a valid security and as such the income from the sale of this farm will be held in trust until this portion of the debt is settled by the trust.

7.2.5. Should enough income be generated from the sale of Look Out to settle all of the debt of this business, it would be beneficial for the business to keep Steenbokvlakte as this portion is used for the manufacturing of organic fertiliser.

7.2.5.1. It is a requirement to use only organic fertiliser and it is substantially cheaper to manufacture this inhouse. This will also become the main income for the business as it will sell the fertiliser to the rest of the group as an independent entity divorced from the rest of the group.

7.2.5.2. All surplus funds will be used to reduce the indebtedness of ABSA bank based on the various securities it holds on the group. It might be agreed with ABSA on an ad hoc basis to make some funds available for the continued trade of the respective entities.

7.2.6. Irrespective of the above, it is clear that the sale of the immovable assets of Steenbokvlakte is sufficient to settle all its debt and security obligations.

7.2.6.1. Any surplus funds will then be used to settle the indebtedness of ABSA bank as a result of their various securities.

7.2.7. No compromise to creditors is envisaged and all statutory obligations will be honoured in full including but not limited to VAT Claw Back (if applicable) and Capital Gains Taxes.

7.2.8. Staff will be transferred to the new owners of the respective farms and this combined with other cost savings will assist with reducing the financial drain on the group.

7.2.9. The income generated from this year's harvest will be used for operating expenses and will not be used to settle creditors.

7.2.10. Please note that all assets that is to be sold will be done in terms of section 134 of the Companies act, thus the waterfall of payments will start with any party that holds a valid security over such an asset.

7.2.11. Once the business rescue process for Steenbokvlakte has concluded, the business will be handed back to its shareholders for continued operations or its closure.

7.3. **Tracto Trading 100 CC:**

7.3.1. Tracto Trading 100 is one of the trading entities and owns four immovable assets. This includes two farms where citrus is being grown for the group and two portions of land that generates no income for the business.

7.3.2. These farms do contribute to the operations of the business, but are located in the Addo area making it difficult to manage and costly to get the products to the packhouse. With the agreement of senior management of the group, these two farms were identified to be sold in the first round of sales.

7.3.3. These farms are:

7.3.3.1. Imithana with a market value of R 18 270 000 and a forced sale value of R 10 962 000.

7.3.3.2. Middelpos with a market value of R 21 830 000 and a forced sale value of R 13 100 000.

7.3.4. The portions of Land:

7.3.4.1. Section 1 – Chateke, no valuation was done on this immovable property as the practitioners only became aware of them some time into the rescue process.

7.3.4.2. Section 2 – Chateke, no valuation was done on this immovable property as the practitioners only became aware of them some time into the rescue process.

7.3.4.2.1. An offer has been presented to the practitioners for these two portions for about R 5,2m and as this is more than what was originally paid for them these offers will be accepted.

7.3.5. The total debt of the business is about R 1,385,064

7.3.5.1. Of this about R 1 012 851 is owed to Blue Crane and must be paid to Blue Crane from the proceeds of the sale to settle its debts.

7.3.5.1.1. All other intercompany loan accounts will be subordinated for the benefit of creditors and securities.

7.3.5.2. The remaining R 372,213.66 is owed to SARS, the Sundays River Water Use Association and ESKOM these creditors will be paid in full from the proceeds of the sales.

7.3.5.3. In addition to the above, Kaap Agri hold additional securities in the form of an acknowledgement of debt for the amount of R 10 575 189 in this entity. This is security only and the debt originates from the Blackie Swart Familie Trust.

7.3.5.3.1. However it is a valid security and as such the income from the sale of this farm will be held in trust until this portion of the debt is settled by the trust.

7.3.5.4. Further to the above, the farms Middelpos and Imithana stands as security to Mr Charles Wooley for the amount of R 30 906 783. This is security only and the debt originates from the Blackie Swart Familie Trust.

7.3.5.4.1. However it is a valid security and as such the income from the sale of this farm will be held in trust until this portion of the debt is settled by the trust.

7.3.5.5. All surplus funds will be used to reduce the indebtedness of ABSA bank based on the various securities it holds over the group. It might be agreed with ABSA on an ad hoc basis to make some funds available for the continued trade of the respective entities.

7.3.6. Irrespective of the above, it is clear that the sale of the immovable assets of Tracto Trading is sufficient to settle all its debt and security obligations.

7.3.6.1. Any surplus funds will then be used to settle the indebtedness of ABSA bank as a result of their various securities.

7.3.7. No compromise to creditors is envisaged and all statutory obligations will be honoured in full including but not limited to VAT Claw Back (if applicable) and Capital Gains Taxes.

7.3.8. Staff will be transferred to the new owners of the respective farms and this combined with other cost savings will assist with reducing the financial drain on the group.

7.3.9. The income generated from this year's harvest will be used for operating expenses and will not be used to settle creditors.

7.3.10. Please note that all assets that are to be sold will be done in terms of section 134 of the Companies act, thus the waterfall of payments will start with any party that holds a valid security over such an asset.

7.3.11. Once the business rescue process for Tracto Trading has concluded, the business will be handed back to its member for continued operations or its closure.

7.4. **Proximitas Investments 60 (Pty) Ltd:**

7.4.1. Proximitas Investments is one of the trading entities and owns 11 immovable assets. This includes no less than 8 farms where citrus is being grown, one hunting farm and at least two residential homes.

7.4.2. The 8 citrus farms do contribute to the operations of the business, but the hunting farm and all residential properties are non-income generating and will be sold as part of the business rescue process.

7.4.2.1. Additionally 5 of the 8 farms have been identified to also be sold as their contribution does not warrant continued ownership and with the agreement of senior management of the group, these 5 farms were identified to be sold in the first round of sales.

7.4.2.1.1. Hemelsvlakte with a market value of R 39 087 000 and a forced sale value of R 23 452 000.

7.4.2.1.2. Waterkloof with a market value of R 43 026 000 and a forced sale value of R 25 815 000.

7.4.2.1.3. Boschkraal with a market value of R 100 380 000 and a forced sale value of R 60 230 000.

7.4.2.1.4. Lafranette with a market value of R 45 000 000 and a forced sale value of R 27 000 000.

7.4.2.1.5. Beginsel with a market value of R 12 658 000 and a forced sale value of R 7 959 000.

7.4.3. Thus a total value for the above of R 240 151 000 market value and R 144 456 000 forced sale value.

7.4.4. In addition to the above farms, there are also two residential properties that will be sold and is valued at R 2 950 000 market value and R 1 770 000 forced sale value.

7.4.4.1. It would be prudent to mention that an offer on one of these properties have been received for R 1 680 000.

7.4.5. The total debt of the business is about R 274,872,148.79 of which about R 93,706,798 is for interconnected company loans that will be subordinated for the benefit of creditors.

7.4.6. The total creditors debt is thus about R 181 165 350.

7.4.7. It is the intention of the practitioners to sell the 5 identified farms and two residential properties to settle the debt of the entity.

7.4.7.1. ABSA bank is by far the largest creditor of Proximitas Investments and it would be suggested that we only settle 70% of their debt and allow the business to continue trading and to then settle the remaining debt in the remaining time on the respective loan agreements.

7.4.7.2. All creditors, including the 70% of ABSA debt will be settled from the sale of assets in proportion.

7.4.8. The income generated from the 2024 harvest will then be used for operating expenses and the repayment of the remaining ABSA debt.

7.4.9. Considering the above, it is clear that the sale of the identified immovable assets of Proximitas Investments is sufficient to settle all its debt and security obligations.

7.4.9.1. Any surplus funds will then be used to settle the indebtedness of ABSA bank as a result of their various securities.

7.4.10. No compromise to creditors is envisaged and all statutory obligations will be honoured in full including but not limited to VAT Claw Back (if applicable) and Capital Gains Taxes.

7.4.11. Staff will be transferred to the new owners of the farms and this combined with other cost savings will assist with reducing the financial drain on the group.

7.4.12. The income generated from this year's harvest will be used for operating expenses and will not be used to settle creditors. ABSA bank will receive further payments from surplus funds collected from connected entities and from the 2025 harvest until settled in full.

7.4.13. Please note that all assets that are to be sold will be done in terms of section 134 of the Companies act, thus the waterfall of payments will start with any party that holds a valid security over such an asset.

7.4.14. Once the business rescue process for Proximitas Investments has concluded, the business will be handed back to its directors for continued operations or its closure.

7.4.15. Of high importance is the fact that ABSA bank have made some Post Commencement Finance (PCF) available in order facilitate the 2024 harvest and this PCF will be repaid from the income from the harvest.

7.4.16. As part of the PCF agreement ABSA has been provided with additional securities over immovable assets and should these assets be sold, ABSA will receive all free income until their PCF is settled in full.

7.4.17. Similarly Freshgro has provide PCF on an ongoing basis and will be settled from the income of the 2024 harvest first.

7.4.17.1. Part of the PCF was the facilitation of the export and freight for the 2024 harvest and the invoicing for the harvest will be done via Freshgro as Blue Crane could not secure all certification in time.

7.5. **Blackie Swart Family Trust:**

7.5.1. Blackie Swart Family Trust is a Trust and also one of the trading entities within the Blackie Swart Group. The Trust owns Nine farms where citrus is being grown for the group. With the agreement of senior management and trustees, 3 farms were identified to be sold in the first round of sales.

7.5.1.1. Mon Repos with a market value of R5 807 000,00 and a forced sale value of R3 484 000,00

7.5.1.2. Osberg with a market value of R17 980 000,00 and a forced sale value of R10 788 000,00

7.5.1.3. Waterkloof with a market value of R43 026 000,00 and a forced sale value of R25 815 000,00

7.5.1.4. Please note that the trust also owns other additional immovable assets, other than farms that have also been identified for sale.

7.5.2. Of crucial importance is the fact that a sequestration application have been lodged against the trust, as such, all assets sold and all payments made will require additional consent from the applicant party and key creditors.

7.5.3. The proposal to creditors is to sell the abovementioned farms and the other immoveable assets in order to settle the some of the debt of the trust.

7.5.3.1. The remaining debt will be serviced through the continued trading of the group – with the remaining debt being long-term borrowings such as bonds taken to purchase farms etc.

7.5.4. The total debt of the business is approximately R201 000 000.

7.5.4.1. The creditors list is extensive, and many creditors have submitted claims, the bulk of the debt is however due to the bank – having provided funding for the purchase of the bulk of the farms.

7.5.4.2. Of this total debt, approximately R2.7mil is owed to connected parties, only the loans owed to Blue Crane will be settled, as it is part of the business rescue plan of Blue Crane. All other loans to connected entities will be subordinated for the benefit of creditors.

7.5.4.2.1. Valid securities are held over several assets of the trust. Should any of these assets be sold, such security portions will be settled, either directly from the sale if the assets that stands as security, alternatively the funds from the sale of the asset will be held in trust until the debt is settled by the entity that incurred the debt.

7.5.4.2.1.1. Concessions may be requested from the bank in instances where funding is required to continue operations of the business on an Ad-hoc basis and this consent is not a condition of the proposed business rescue plan.

7.5.4.2.2. All surplus funds will be used to reduce the indebtedness of ABSA bank based on the various securities it holds on the group. It might be agreed with ABSA on an ad hoc basis to make some funds available for the continued trade of the respective entities.

7.5.5. Irrespective of the above, it is clear that the sale of the immovable assets of the Trust will make a substantial difference in the debt that is due.

7.5.5.1. It is envisaged that only long-term borrowings will remain and all short-term facilities and current arrears could be settled from the sale of the assets. If there is any shortfall, this will be settled in terms of the continued trading of the group.

7.5.6. No compromise to creditors is envisaged and all statutory obligations will be honoured in full including but not limited to VAT Claw Back (if applicable) and Capital Gains Taxes.

7.5.7. The income generated from this year's harvest will be used for operating expenses and will not be used to settle creditors.

7.5.8. Please note that all assets that is to be sold will be done in terms of section 134 of the Companies act, thus the waterfall of payments will start with any party that holds a valid security over such an asset.

7.5.9. Of high importance is the fact that CitroWide has provided PCF (Post-Commencement Finance) on an ongoing basis and will be settled from the income of the 2024 harvest before any concurrent creditors. Additionally, CitroWide has been granted additional securities over the entities in business rescue in accordance with Section 135 of the Act.

7.5.10. The assistance was provided to the entire group, and repayment will be made from the first available free cash from any of the respective entities. However, in the case of the trust, this will occur with the consent of key creditors and the bank.

8. SALE OF IMMOVABLE ASSETS.

8.1. The immovable properties made available to the business rescue practitioners will be actively promoted for a 60-day period following the adoption of the respective business rescue plans, by both the practitioners and appointed property brokers. Should any of the immovable assets remain unsold after this period, an auctioneer will be appointed to sell these remaining assets within the subsequent 60 days.

8.2. All offers received will be Subject to Confirmation (STC) by ABSA and any party that holds a valid security over a specific immovable asset, unless the sale covers the full settlement of such securities.

8.3. Additionally, for the trust assets only, further consent may be required from key creditors and lenders.

9. CONCLUSION

9.1. It is clear that should the above proposals be approved and subsequently implemented, that the group as a whole should be able to achieve a full rehabilitation. All four of the rescue plans will need to be adopted for each to become binding. If a single plan is not adopted, it will invalidate the others, and new plans will need to be prepared and presented to the respective creditors.

9.2. The practitioners remain confident that a reasonable prospect for a rescue exists for each entity individually, and even more so for the group as a whole, provided that the proposals outlined herein are accepted by the affected persons of each respective entity.

9.3. Should any group of creditors reject their respective proposal, the practitioners remain confident that by amending the business rescue plans, each entity could be rehabilitated based on its own merits. However, this would require some compromises in repayments.