PROPOSED BUSINESS RESCUE PLAN

FOR

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

by

Quinton (Pat) Pattinson

&

David Masterton

ON

3 July 2024

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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 3rd of July 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 Proximitas Investments 60 (Pty) Ltd (in business rescue), a business duly incorporated in terms of the Laws of South Africa under registration number 2001 / 012801 / 07;

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 Proximitas Investments (Hereinafter referred to as “Proximitas” or “The Business”) is a company that operates in the Citrus industry.

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.

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

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

2.5. 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.

2.6. The basis of the business rescue plan is that:

2.6.1. Proximitas will utilise post commence financing in order to finalise the 2024 Harvest.

2.6.1.1. PCF already secured from ABSA Bank.

2.6.2. By harvesting and exporting of the 2024 harvest.

2.6.3. The Sale of certain selected immovable assets (in a preferent order of non-income generating assets first).

2.6.4. Concurrent creditors to be settled over an additional two harvests (two years)

2.7. Please note Annexure D for the draft list of immovable 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 15 July 2024.

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

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[1] Section 129 of the Companies Act 71 of 2008.
[2] Section 129 (3)(a).
[3] Section 128 (1)(b)(iii).
[4] Section 147 (1).

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 proceeds generated from the 2024 and 2025 harvests, the secured creditors will be settled from the proceeds of the sale of the abovementioned assets, 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.

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 provides for the business to continue operating with less farms and expenses. The financial information shows the impact of the disposal of farms and the continued operation as per attached Annexure I.

2.19. The costs relating to the business rescue proceedings will be settled from the ongoing income generated from the business and the sale of assets within the group. The business rescue fees are of course payable in full in priority to any other debts, but the payment of the rescue costs will be included in the financial projections and calculations in order to ensure that the business is able to trade in a profitable manner going forward.

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.

2.20.2. Sale of immovable assets.

2.20.3. The completion of the 2024 and 2025 harvest.

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

3.1. The Business, known as Proximitas Investments 60 (Pty) Ltd (Hereinafter referred to as "Proximitas" or "The Business") is a company that operates in the Citrus industry. It is primarily responsible to produce the fruit which is then exported.

3.1.1. Proximitas 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 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 sold to juice providers.

3.1.3. This entity was established in 2001 and was, until the date of filing for Business Rescue, under the control of Marika Swart – the Director. The business is however currently managed in a full-time capacity by Mr. Pattinson who is the senior business rescue practitioner and who has taken full management control of the business. Mr. Pattinson is accompanied by Mr. Masterton, an experienced business rescue practitioner, who has taken full control of all financial-related matters such as the banking accounts, payroll etc. for the group of companies.

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. 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:

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

[5] Section 150 (2) of the Companies Act.
[6] Section 129 of the Companies Act 71 of 2008.

3.3.1.1. 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.

3.3.1.2. 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.

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

3.3.2. Although the reasons for the financial distress are sound, and are indeed contributing factors, the practitioners have (during their ongoing investigation) concluded that these where simply "additional reasons" to the financially distressed situation in which the group now finds itself and that more concerning reasonings where:

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

3.3.2.2. 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.

3.3.2.3. 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.

3.3.2.4. 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.

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

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

3.6. Per the Act[8]; The liability of the business is based on the proof of claims received from 11 creditors (totaling 19 claims) and totals about R 322 927 991. A list of creditors with their respective claims is attached as Annexure B.

3.7. These claims are then broken down into the following Classes:

Secured Claims	:	8 Claims	for about R 178 373 306
Concurrent Claims	:	11 Claims	for about R 144 554 685

3.7.1. Please note that 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.

3.7.1.1. Please note that the subordination does not inhibit ABSA Bank from collecting on any loan accounts they hold valid cessions over. It only provides that shareholders, directors, trustees, beneficiaries and or members will not be repaid any loans until creditors are settled, this includes ABSA as a creditor.

3.7.1.2. The total debt to creditors is thus R322 927 991 with R66 221 183 being as a result of securities / cessions for connected entities that Proximitas will be in a position to claim back.

3.7.2. 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.

[7] Section 150(2)(a)(i).
[8] Section 150(2)(a)(ii).

3.8. 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.

3.9. 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.

3.10. 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.

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

Creditor Class		**Liquidation**		**Business Rescue**
Secured (Kaap Agri + ABSA)	:	34.82 and 60.18 Respectively cents in the rand	:	100 cents in the rand
Preferent (in liquidation) and PCF (in Business Rescue)	:	N/A – No staff in this business	:	N/A – No staff in this business
Concurrent Claims	:	18.17 cents in the rand	:	100 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).

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

Name		**Issued Securities**
Blackie Swart Familie Trust	:	100%

[9] Section 150(2)(a)(iv).

3.13. 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.

3.13.1. At the meeting to consider the proposed business rescue plan, the practitioner will hold a separate vote for the consideration of the proposed fee agreement.

3.14. 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]

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[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 secured creditors of the business will commence once the properties have sold and transfer has taken place, and concurrent creditors will in turn be settled from the profits of the 2024 and 2025 harvests**,** the moratorium period will terminate at this time.

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] with no interest or legal fees to any concurrent creditors.

4.3. Proposals as set out herein Below:

4.3.1. 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.

4.3.1.1. 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.

4.3.1.1.1. 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.

4.3.1.1.2. Hemelsvlakte with a market value of R 39 087 000.
4.3.1.1.3. Waterkloof with a market value of R 43 026 000.
4.3.1.1.4. Boschkraal with a market value of R 100 380 000.
4.3.1.1.5. Lafranette with a market value of R 45 000 000.
4.3.1.1.6. Beginsel with a market value of R 12 658 000.

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

4.3.1.2. Thus, a total value for the above of R 240 151 000.

4.3.1.3. In addition to the above farms, there are also two residential properties that will be sold and are valued at R 2 950 000.

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

4.3.2. The total remaining creditors' debt is thus about R 191 740 539.

4.3.2.1. Please note that R66 221 183 is for connected debt, and this can be claimed back from the respective debtors in the group.

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

4.3.3.1. All concurrent creditors, will be settled from the sale of unsecured assets and from the profits of the 2025 harvest.

4.3.4. The income generated from the 2024 harvest will then be used for operating expenses.

4.3.5. Considering the above, it is clear that the sale of the identified immovable assets of Proximitas Investments and the 2025 harvest is sufficient to settle all its debt and security obligations.

4.3.5.1. Any debt settled as a result of securities on behalf of another entity will be collected from that entity if at all possible.

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

4.3.6. 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.

4.3.7. 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.

4.3.8. 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.

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

4.3.10. Of high importance is the fact that ABSA bank has 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.

4.3.11. 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.

4.3.11.1. More on PCF

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

4.3.12.1. 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 certifications in time.

4.3.13. 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.

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, legal, 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. Should there be any arrears in fees due to the practitioners, these will also enjoy preferences afforded

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

by the Act for post-commencement finance.[18]

4.4.1.2. All practitioners' fees 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; this may result in preference being given to Post Commencement Financiers, above that of Post Commencement Creditors as per point 4.4.2 of this plan as a result of secured assets being sold.

4.4.4. Fourth – Secured Creditors:

4.4.4.1. The secured creditors, such as ABSA Bank, will at all times be considered when properties are being sold and their various securities will be respected. Should a creditor hold security over an asset, that security will be settled first from the income generated from the sale of that asset.

4.4.5. Fifth – The Concurrent Creditors will be repaid 100 cents in the Rand based on the claims received and contained in Annexure B, alternatively that all of the proceeds from the sale of unsecured immovable assets in proportion and the 2025 harvest to settle as much of the debt as possible by the end of the 2025 Harvest (October 2025).

4.4.6. Sixth – SARS

4.4.7. 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.

4.4.8. 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

[18] Section 135.

this rescue plan.

4.4.8.1. This plan makes no provision for a VAT claw back as creditors will be settled 100 Cents in the Rand.

4.4.8.1.1. However, should a compromise be required due to insufficient funds being raised from the sale of assets and or the 2025 harvest, the company will submit this information to SARS and honor its VAT claw back submissions by no later than 31 December 2025.

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.

5.1.1.3. 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.

5.1.1.4. 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".

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

5.1.2. 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.

5.1.2.1. 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.

5.1.3. 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 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

[22] Section 152 and Eravin Construction Matter.
[23] Section 150(2)(c)(i).
[24] Section 151 and 152.
[25] Section 137(4).

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 implemented, that the group as a whole should be able to achieve a full rehabilitation. <u>All three of the rescue plans will need to be adopted for each to become binding.</u> 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 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.

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

6.1. This Proposed Business Rescue Plan is published to the affected persons on 3 July 2024 and a meeting to vote has been scheduled to take place on 15 July 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.

[26] Section 150(2)(c)(i).
[27] Section 132(2)(c)(ii).
[28] Section 150(2)(c)(iii).
[29] Section 151.

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]

[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	12 December 2023
Business Rescue Plan published	3 July 2024
Vote on the proposed business rescue plan	15 July 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.

[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

We thank you for your time offered to determine the future of this Business Rescue process for **Proximitas Investments.**

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

Annexure A : Outcome of 1st Creditors Meeting

13 December 2023

CIRCULAR 03

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **PROXIMITAS INVESTMENTS 60 (PTY) LTD** 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 **Proximitas Investments 60 (Pty) Ltd** (Herein after referred to as "Proximitas" or "The Business") - held on 12 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].

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[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.

1.5.1.2. The business has also informed the practitioners that the buyers for the fruit are already lined up and the difficulty going forward will simply be getting the fruits to market.

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.

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[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	:	+- R33,39 Million
Loan Accounts (Receivable)	:	R48,49 Million (per 2023 AFS)
Loan Accounts (Payable)	:	R78,46 Million (per 2023 AFS)
Debtors	:	TBC
Assets	:	TBC

2.2. Proximitas was established in 2001 and the Blackie Swart Familie Trust is the shareholder of the Business. Proximitas owns farms on which citrus is grown (among other assets) – the citrus is in turn supplied to Blue Crane, who 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. Proximitas Investments 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. Proximitas is one of the interconnected entities of a larger group – all of which are experiencing financial distress. The company responsible for the exporting of the fruits (Blue Crane) had experienced the challenges as listed below. As a result thereof, a knock on effect was created that has caused the challenges being faced by the entire group of companies.

3.1.1.1. Blue Crane is responsible for the exporting of most of the fruit that is harvested to the European Union as there is a big market there for organic fruits.

3.1.1.2. 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.

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

3.1.1.3. 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.

3.1.1.4. 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.

[8] Section 141 of the Companies Act.

4. IMPORTANT DATES:

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

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	:	12 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. The decision as to whether or not to form a committee remains in the hands of the creditors.

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.

[9] Section 147.

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.

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

9.1.1. 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.

9.1.2. 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.

9.1.3. 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.

9.1.3.1. 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.

9.2. 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?

9.2.1. 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.

9.2.2. 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.

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

9.3.1. 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.

9.3.2. 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.

9.4. Some creditors have various securities over assets, moveable and immovable – will the practitioners allow access to the assets for inspection of their condition?

9.4.1. The practitioners have no objection to these inspections as long as the party who wishes to carry out such an inspection gives the practitioners notice of their intention to do so. Furthermore, this will be permitted in so far as the property rights are respected in terms of Section 134 of the Act.

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

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

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.

Proximitas - Finance Sheet							
Nr	Creditor	Acronym	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	% Voting Interest
1	ABSA Agri Loan Facility with Account Number 80-8069/9236	SC	R 4 638 226,99			R 4 638 226,99	1,43%
2	ABSA AVAF loan accounts: 9562-8210, 9562-8287, 9562-8376, 9562-9810 and 9563-0281	SC	R 4 520 105,40			R 4 520 105,40	1,39%
3	BSFT (Inter-Company Loan)	CC	R 93 686 206,88			R 93 686 206,88	28,87%
4	BSFT (Inter-Company Loan)	CC	R 20 592,00			R 20 592,00	0,01%
5	ABSA Mortgage Loan Facility account number: 80-9081-3710	SC	R 2 938 906,99			R 2 938 906,99	0,91%
6	ABSA Overdraft Facility account number: 40-5972-7655	SC	R 10 979 935,16			R 10 979 935,16	3,38%
7	ABSA Term Loan Facility Account Number: 30-5282-3417	SC	R 24 125 160,98			R 24 125 160,98	7,43%
8	ABSA Term Loan Facility Account Number: 30-5335-7152	SC	R 75 440 446,53			R 75 440 446,53	23,25%
9	ABSA Term Loan Facility Account Number: 30-5382-6288	SC	R 24 823 740,48			R 24 823 740,48	7,65%
10	Baytrac	CC	R 2 019,60			R 2 019,60	0,00%
11	ESKOM	CC	R 1 033 173,97			R 1 033 173,97	0,32%
12	SARS	CC	R 894 605,10			R 894 605,10	0,28%
13	Strydom and Partners	CC	R 133 917,50	R 24 745,81		R 158 663,31	0,05%
14	Sunday's River Water Use Association	CC	R 608 079,92	R 75 376,86	R 678 079,92	R 1 361 536,70	0,42%
15	Humansdorp Co-Op	CC	R 120 247,64			R 120 247,64	0,04%
16	Charles Wooley	SC	R 30 906 783,65			R 30 906 783,65	9,52%
17	Kaap Agri	CC	R 10 575 189,42	R 799 730,59	R 16 376,86	R 11 391 296,87	3,51%
18	Kaap Agri	CC	R 35 314 400,21			R 35 314 400,21	10,88%
19	Sundays River Valley Municipality	CC	R 2 166 253,10			R 2 166 253,10	0,67%
TOTAL		**19**	**R 322 927 991,52**	**R 899 853,26**	**R 694 456,78**	**R 324 522 301,56**	**100,00%**

SUMMARY BY CREDITOR ACRONYM		Count	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	%
SC	Secured Creditors	8	R 178 373 306,18	R -	R -	R 178 373 306,18	54,96%
CC	Concurrent Creditors	11	R 144 554 685,34	R 899 853,26	R 694 456,78	R 146 148 995,38	45,04%
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		**19**	**R 322 927 991,52**	**R 899 853,26**	**R 694 456,78**	**R 324 522 301,56**	**100,00%**

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

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:	**60000866762**

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:	**PROXIMITAS INVESTMENTS 60 (PTY) LTD**
Registration Number:	**2001/012801/07**
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

ENTERPRISE INFORMATION

Registration number:	**2001/012801/07**
Enterprise Name:	**PROXIMITAS INVESTMENTS 60 (PTY) LTD**
Registration Date:	**18/06/2001**
Business Start:	**18/06/2001**
Enterprise Type:	**PRIVATE COMPANY**
Enterprise Status:	**BUSINESS RESCUE**
Financial Year End:	**SEPTEMBER**
Main business/Main object	**FINANCIAL INTERMEDIATION, EXCEPT INSURANCE AND PENSION FUNDING FINANCIAL INTERMEDIATION, EXCEPT INSURANCE AND PENSION FUNDING**
Tax number:	**9015465140**

Addresses:

Postal Address	Address Of Registered Office
P O BOX 130	**KANAALPLAAS**
KIRKWOOD	**KIRKWOOD**
3363	**3363**
6120	**6120**

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: **2001/012801/07**

Enterprise Name: **PROXIMITAS INVESTMENTS 60**

Registration Number: **2001/012801/07**

Enterprise Name: **PROXIMITAS INVESTMENTS 60 (PTY) LTD**

AUDITORS

Name

Postal Address

ACTIVE MEMBERS / DIRECTORS

Full Name	Director Type	ID Number	Appoint. Date	Cellphone Number	Address
SWART MARIKA	DIRECTOR	7401150035080	11/07/2017	0828011505	Postal:PO BOX 378,KIRKWOOD, KIRKWOOD,3363, 6120 Residential Address: STEENBOK VLAKTE, KIRKWOOD, KIRKWOOD,3363, 6120
SWART JOHANN	DIRECTOR	7508155153088	14/11/2023	0818039403	Postal: WATERKLOOF FARM,KIRKWOOD, KIRKWOOD,3363, 6115 Residential Address: WATERKLOOF FARM,KIRKWOOD, KIRKWOOD,3363, 6115

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

Annexure D : Material List of Assets of the Business

Proximitas Investments 60 (Pty) LTd

Fixed Asset Register

Estimated Liquidation Values

No	Asset Description	Value ('R)	
1	Hemelsvlakte Farm	R	23 452 000,00
2	Waterkloof Farm	R	25 815 000,00
3	Boschkraal Farm	R	60 230 000,00
4	Lafranette Farm	R	27 000 000,00
5	Beginsel Farm	R	7 959 000,00
6	2 x Residential homes	R	1 770 000,00
7	Goodhope Farm B&B	R	20 076 000,00
8	Goodhope Farm (Packhouse)	R	41 967 000,00
9	Morewag Farm	R	3 837 000,00
10			
11			
		R	212 106 000,00

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

Annexure E : Certificate of the Business Rescue Practitioners

3 July 2024

BUSINESS RESCUE CERTIFICATE

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

for

Proximitas Investments 60 (Pty) Ltd

With Reg nr: 2001 / 012801 / 07

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

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

Annexure F : Written Fee Agreement (Proposal)

PROPOSAL MADE BY:

Business Rescue 360 (PTY) LTD t/a BR360

2021 / 534306 / 07

(duly represented by
Quinton Pattinson
and
David Masterton)
(hereinafter referred to as the "Practitioners")

TO

Business Trading Name : Proximitas Investments
Business Registered Name : Proximitas Investments 60 (Pty) Ltd
Business Registration No : 2001 / 012801 / 07
Contact : J de Lange
Email Address : johannesdl@srvalley.co.za

(duly represented by Johannes De Lange)
(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:

PROJECT SCOPE AND FEES

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

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.

PROJECT PURPOSE

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.

PROJECT DESIRED OUTCOME

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).

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.

PROJECT COSTING

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

The terms of which are as follows:

The Business Rescue Practitioner has agreed to be paid a retainer of R 50 000 (Plus VAT) per month, per practitioner for the duration of the business rescue process. This equates to 25hours per month instead of charging the permitted R 2 000 per hour per practitioner.

1	Overnight charges (per night plus expenses):	Direct cost only
2	Dedicated administrative service provider (per month):	R 5 500
3	Subsistence allowance for travel only (per day)	R 1 500
4	Travel per Kilometer traveled (p/km)	R 8.40

Contingencies:

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

1. 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.

2. The Business Rescue Practitioner will be entitled to receive a R 0.00 (Plus VAT) success fee on the adoption of the proposed business rescue plan.

3. The Business Rescue Practitioner will be entitled to receive a 12.5% dividend on all immovable assets sold as part of the Business Rescue of the Company.

    a. This is to be shared between all parties involved in a sale including but not limited to Property Practitioners, Auctioneers and lead generators.

4. The Business Rescue Practitioner will be entitled to receive a 12.5 % dividend on all movable assets sold as part of the Business Rescue of the Company.

a. This is to be shared between all parties involved in a sale including but not limited to Auctioneers and other lead generators.

5. Should the business be sold as a going concern and or the shares or members interest or part thereof be disposed the Business Rescue Practitioner shall be entitled to a commission of 12.5 %.
   a. This is to be shared between all parties involved in a sale including but not limited to Property Practitioners, Auctioneers and lead generators.

6. The Business Rescue Practitioner shall be entitled to a success fee of 0.00 % of any post commencement finance that is raised for the business during the business rescue process or thereafter.

7. The Business Rescue Practitioner will be entitled to receive a R 0.00 (Plus VAT) success fee as soon as he files for substantial implementation of the business rescue process.

AGREEMENT OF TERMS

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.

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

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.

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.

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.

6. The client will place all the equipment, not yet secured with any other party of the business, as security and all invoices raised will be considered as secured on this basis.

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 5 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.

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.

   a. 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.

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

J. FoleLange

Signature	Name	Date	Signed at
	Johann Sued	21/05/24	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.

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

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.

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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

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.

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

Annexure H : Draft Liquidation and Distribution Account

DRAFT LIQUIDATION AND DISTRIBUTION ACCOUNT

FOR THE AFFECTED PERSONS OF

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

For the purposes of displaying the proposed scenario should Proximitas 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. Furthermore, it is not a complete LND account in that it does not provide for specific properties belonging to a specific account number – secured creditors are bundled together in an attempt to simplify the account and to show an estimate of what can be expected in a liquidation scenario as opposed to a Business Rescue.***

Encumbered Asset Account Number 1: Proceeds of the sale of the farms (Boschkraal, Beginsel, Goodhope B&B and Goodhope Farm) sold in favour of ABSA BANK under the various Accounts and Bonds - Instalment sale and Bonds

Receipts

Description	VAT	Receipts
Boschkraal, Beginsel, Goodhope B&B and Goodhope Farm Sold, basedon the values received by the independent valuators	R16 986 782,61	R130 232 000,00
Totals	**R130 232 000,00**	

Output VAT (Received)	**R16 986 782,61**
Input VAT (Paid)	**R3 650 377,26**
SARS VAT per this account	**R13 336 405,35**

Positive Means owing to SARS

Total Available for Distribution	**R88 740 520,38**
Total Due to Creditor	**R147 466 522,53**
Proposed Dividend (cents in the rand)	**60,18**
Shortfall	**R58 726 002,15**

Section 89 Costs

Description	VAT	Payments
Pro-rata Masters Fee per Pro-rata Schedule	No VAT applicable to Master's Fees	R168 848,59
Bond Cost per Pro-rata Schedule	R16 017,26	R122 798,98
Liquidator / Trustee Fee Per Schedule (3% on Immovables)	R1 915 259,74	R14 683 658,00
Pro - Rata Insurance	R14 415,53	R110 519,08
Auctioneers Commision	R1 698 678,26	R13 023 200,00
Pro - Rata Auctioneers Advertising Cost	R6 006,47	R46 049,62
SARS VAT per this Account		R13 336 405,35
Totals	**R41 491 479,62**	

Encumbered Asset Account Number 2: Proceeds of the Farm Hemelsvlakte sold in favour of Kaap Agri in terms of their Bond

Output VAT (Received)	R3 058 956,52
Input VAT (Paid)	R657 354,93
SARS VAT per this account	R2 401 601,59

Positive Means owing to SARS

Receipts

Description	VAT	Receipts
Proceeds of the Farm Hemelsvlakte, per the independent valuation done	R3 058 956,52	R23 452 000,00
Totals	**R23 452 000,00**	

Total Available for Distribution	**R15 980 271,24**
Total Due to Creditor	**R45 889 589,63**
Proposed Dividend (cents in the rand)	**34,82**
Shortfall	**R29 909 318,39**

Section 89 Costs

Description	VAT	Payments
Pro-rata Masters Fee per Pro-rata Schedule	No VAT applicable to Master's Fees	R30 406,02
Bond Cost per Pro-rata Schedule	R2 884,37	R22 113,47
Liquidator / Trustee Fee Per Schedule (3% on Immovables)	R344 897,35	R2 644 213,00
Pro - Rata Insurance	R2 595,93	R19 902,12
Auctioneers Commision	R305 895,65	R2 345 200,00
Pro - Rata Auctioneers Advertising Cost	R1 081,64	R8 292,55
SARS VAT per this Account		R2 401 601,59
Interest payable - If applicable (not deducted as a S89 cost Just listed here to show calculation.		-
Totals	**R7 471 728,76**	

Free Residue Account

Receipts

Description	VAT	Receipts
Remainder of the Unsecured Immovable Assets Sold, Subject to the Valuation done by the independent party	R7 620 260,87	R58 422 000,00
Totals	**R58 422 000,00**	

Section 89 Costs

Description	VAT	Payments
Pro-rata Masters Fee per Pro-rata Schedule	No VAT applicable to Master's Fees	R75 745,38
Bond Cost per Pro-rata Schedule	R7 185,33	R55 087,55
Liquidator / Trustee Fee Per Schedule (3% on Immovables)	R859 184,41	R6 587 080,50
Pro - Rata Insurance	R6 466,80	R49 578,80
Auctioneers Commision	R762 026,09	R5 842 200,00
Pro - Rata Auctioneers Advertising Cost	R2 694,50	R20 657,83
Legal Fees	R24 130,43	R185 000,00
Second meeting adverts	R58,70	R450,00
Inspection and confirmation adverts	R71,74	R550,00
Bank Charges	R163,04	R1 250,00
Petties, postage and stationery	R37,17	R285,00
SARS VAT per this Account		R5 958 242,65
Totals	**R18 776 127,71**	

Output VAT (Received)	**R7 620 260,87**
Input VAT (Paid)	**R1 662 018,22**
SARS VAT per this account	**R5 958 242,65**

Positive Means owing to SARS

Total Available for Distribution	**R39 645 872,29**
Total Due to Creditors who will share in Free Residue	**R218 207 199,90**
Proposed Dividend (cents in the rand)	**18,17**
Shortfall	**R178 561 327,61**

Pro Rata Master's Fees

Asset Account:	Total Assets:	Master's Fee:
EAA 1	R130 232 000	R168 848,59
EAA 2	R23 452 000	R30 406,02
Free Residue	R58 422 000	R75 745,38
Total Asset Value:	R212 106 000	R275 000

Calculate Total Masters Fee

212106000				
211956000		R1 000		R1000 for 1st R150 000
42391,20		R274 000		R275 for Each R5 000
Total Master's Fee		R275 000		

Pro Rata Bond Cost

Asset Account:	Total Assets:	Bond Cost:
EAA 1	R130 232 000	R122 798,98
EAA 2	R23 452 000	R22 113,47
EAA 3	R0	R0,00
EAA 4	R0	R0,00
EAA 5	R0	R0,00
EAA 6	R0	R0,00
EAA 7	R0	R0,00
EAA 8	R0	R0,00
Free Residue	R58 422 000	R55 087,55
Total Asset Value:	R212 106 000	R200 000

Pro Rata Insurance Cost

Asset Account:	Total Assets:	Insurance
EAA 1	R130 232 000	R110 519,08
EAA 2	R23 452 000	R19 902,12
EAA 3	R0	R0,00
EAA 4	R0	R0,00
EAA 5	R0	R0,00
EAA 6	R0	R0,00
EAA 7	R0	R0,00
EAA 8	R0	R0,00
Free Residue	R58 422 000	R49 578,80
Total Asset Value:	R212 106 000	R180 000

Pro Rata Auction Costs Advertising

Asset Account:	Total Assets:	Auction Cost
EAA 1	R130 232 000	R46 049,62
EAA 2	R23 452 000	R8 292,55
EAA 3	R0	R0,00
EAA 4	R0	R0,00
EAA 5	R0	R0,00
EAA 6	R0	R0,00
EAA 7	R0	R0,00
EAA 8	R0	R0,00
Free Residue	R58 422 000	R20 657,83
Total Asset Value:	R212 106 000	R75 000

Encumbered Asset Account Number 1

Sale amount	%	Standard Commission		
130 232 000,00	10	13 023 200,00		
	Vat on Sale			
Sale Ex VAT	113 245 217,39			
Sale VAT	16 986 782,61	2 548 017,39		
		254 801,74		
Commission ex VAT		12 768 398,26		
			X VAT	VAT
Commission Inc VAT		**14 683 658,00**	12 768 398,26	**1 915 259,74**

Encumbered Asset Account Number 2

Sale amount	%	Standard Commission		
23 452 000,00	10	2 345 200,00		
	Vat on Sale			
Sale Ex VAT	20 393 043,48			
Sale VAT	3 058 956,52	458 843,48		
		45 884,35		
Commission ex VAT		2 299 315,65		
			X VAT	VAT
Commission Inc VAT		**2 644 213,00**	2 299 315,65	**344 897,35**

Free Residue Account

Sale amount	%	Standard Commission		
58 422 000,00	10	5 842 200,00		
	Vat on Sale			
Sale Ex VAT	50 801 739,13			
Sale VAT	7 620 260,87	1 143 039,13		
		114 303,91		
Commission ex VAT		5 727 896,09		
			X VAT	VAT
Commission Inc VAT		**6 587 080,50**	5 727 896,09	**859 184,41**

Total Trustees Fees: 23 914 951,50

VAT Schedule

Account	Output VAT	Input VAT	Payable / Refund
Encumbered Asset Acc 1	R16 986 782,61	R3 650 377,26	R13 336 405,35
Encumbered Asset Acc 2	R3 058 956,52	R657 354,93	R2 401 601,59
Encumbered Asset Acc 3	R0,00	R0,00	R0,00
Encumbered Asset Acc 4	R0,00	R0,00	R0,00
Encumbered Asset Acc 5	R0,00	R0,00	R0,00
Encumbered Asset Acc 6	R0,00	R0,00	R0,00
Encumbered Asset Acc 7	R0,00	R0,00	R0,00
Encumbered Asset Acc 8	R0,00	R0,00	R0,00
Free Residue	R7 620 260,87	R1 662 018,22	R5 958 242,65
Totals	R27 666 000,00	R5 969 750,41	R21 696 249,59

Payable to SARS if positive, Refund from SARS if negative

DISTRIBUTION ACCOUNT

No	Creditor	Claim Amount		Secured claim	Secured award	Preferent claim	preferent award	Concurrent claim	Concurrent award	Deficiency
1	ABSA	R 147 466 522,53		R 147 466 522,53	R 88 740 520,38			R 58 726 002,15	R 10 570 680,39	R 48 155 321,76
2	KAAP Agri	R 45 889 589,63		R 45 889 589,63	R 15 980 271,24			R 29 909 318,39	R 5 383 677,31	R 24 525 641,08
3	Concurrent Creditors	R 218 207 199,90						R 218 207 199,90	R 39 277 295,98	R 178 929 903,92
Total		**R 411 681 812,06**		**R 193 356 112,16**	**R 104 720 791,62**	**R -**	**R -**	**R 306 842 520,44**	**R 55 231 653,68**	**R 251 610 866,76**

Proximitas Investments 60 (Pty) Ltd

Registration nr: 2001 / 012801 / 07

Annexure I: Projected Financials

Proximitas Investments 60 (Pty) Ltd	2024
	TOTAL
Revenue Exports	80 742 698
Revenue Local	20 409 906
Cost os sales Exports	56 519 889
Cost os sales Local	10 080 000
Commission - Blue Crane Exports	807 427
Gross profit	**33 745 288**
Total GP	**33 745 288**
GP %	*41,79%*
Other Income	*6 085 623*
Guesthouse Sumarest	*311 140*
Insurance Claim	*180 530*
Profit on sale of assets	*5 593 953*
Expenses	**29 727 812**
Accounting fees	112 250
Advertising	-
Bad debts	-
Bank charges	238 508
BRP fees	2 100 000
Computer expenses	15 000
Consulting fees	18 526 500
Consumables B&B	26 427
Courier	75 000
Depreciation	1 828 295
Electricity & water	3 235 099
Entertainment	-
General expenses	-
Insurance	1 403 960
Cleaning	-
Legal fees	150 000
Loss on sale of assets	-
Medical expenses	-
Member remuneration	-
Motor vehicle expenses	110 000
Office equipment	-
Payroll system	-
Petrol/diesel	-
Printing & stationery	25 000
Provident fund	-
Rent	337 522
Repairs and maintenance	500 000
Salaries & wages (fixed)	873 635
Staff garnishees	-
Staff training	-
Staff transport	-
Staff welfare	21 453
Security	56 600
Subscriptions	1 142
Telephone & internet	91 421
Travel & accommodation	-
Uniforms/safety	-
Union fees	-
Workmen's Compensation	-
Net income before depreciation and finance costs	**10 103 099**
Depreciation / Asset Repayment	-
Finance expenses	**10 355 415**
Finance costs	10 355 415
Interest paid	-
Net Income	**-252 316**
NP%	*-0,31%*
Taxation Payable	**-**
Net Income after Taxation	
BR repayments (historical debt)	
Net cash flow	**-252 316**

BALANCE SHEET FOR: **Proximitas Investments 60**

	2025	Estimation 2024
ASSETS		
Non-current assets	*104 105 025*	*155 434 983*
Property, plant and equipment	103 636 232	105 232 451
Loan receivable		1 240 521
Fixed deposits		-
Related party borrowings	-	48 493 218
Other non-current assets	468 793	468 793
Current assets	*27 728 353*	*27 561 104*
Trade receivables	13 145 092	27 561 104
Other receivables and prepayments		-
Inventory on hand		
Loan to director/shareholder		
Cash and cash equivalents	14 583 261	
Current tax receivable		-
Total Assets	**131 833 378**	**182 996 087**
EQUITY AND LIABILITIES		
Equity	37 729 265	35 196 346
Share capital/ Members contributions	3 110 100	3 110 100
Retained earnings/ (Accumulated loss)	32 113 216	32 338 562
Revaluation reserves	2 505 949	-252 316
Non-current liabilities	*93 904 113*	*93 904 113*
Loans payable		
Long-term borrowings	-	-
Loans from director/shareholder	-	-
Related-party borrowings	93 904 113	93 904 113
Deferred tax		-
Current liabilities	-	*53 895 628*
Current portion of long-term borrowings		
Vat Clawback		-
SARS	-	894 695
Creditors claim	-	42 470 605
ABSA Bank	-	10 530 328
Total Equity and Liabilities	**131 633 378**	**182 996 087**

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.

Contents

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.