

10 August 2023

CIRCULAR 12

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **AFRICAN CAPITAL PROPERTY PORTFOLIO (PTY) LTD** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE 5TH MEETING OF CREDITORS

The business rescue practitioners wish to advise all the affected parties the outcome of the 5th meeting of creditors of African Capital Property Portfolio (Pty) Ltd (Herein after referred to as "The Business") - held on 8th of August 2023.

Mr Masterton gave a brief introduction of the Business Rescue team and welcomed all of the affected persons to the meeting and briefly outlined the agenda of the meeting, being specifically to deal with some matters that have arisen regarding the delays in the publication of a business rescue plan.

UPDATE ON THE BUSINESS RESCUE PROCESS TO DATE AND REASONS FOR THE DELAYS:

1. AFS

- a. With regards to the Annual Financial Statements (AFS) it has been well established at previous creditors meetings that these have not been done for the last few years.
- b. The practitioners attempted to secure PCF to pay to have these financials brought up to date, but to date this option has proven to be not feasible.
- c. As a result, the practitioners are currently taking legal advice on the potential of concluding the business rescue plan without up-to-date information – based on the requirements per the Act.¹
 - i. The question is whether or not management accounts could be used for this purpose.

2. VAT – VDP

- a. A VAT problem was identified during the last payment period. Mr Masterton and the Director have addressed this issue by means of discussing same with SARS and on their advice have submitted a VDP (Voluntary Disclosure Program).
- b. The VDP was submitted recently and is still under review from SARS, as soon as feedback is provided from SARS, this will be included in the Business Rescue Plan – if same is ready by the date of publication.

¹ Section 150 of the Companies Act 71 of 2008.

3. Electrical COC

- a. Mr Masterton has been in contact with KNS regarding the Certificate of Clearance (COC).
- b. KNS have submitted a claim, which has been recognised as a concurrent claim as opposed to a secured one. The difference was explained at multiple occasions and without a valid security over a tangible asset, claims are regarded as concurrent.

4. Potential Secured Claim

- a. A secured claim in Business Rescue is dealt with differently from that of a concurrent claim and thus the need to accurately identify each claim by class.
- b. The matter being dealt with is relating to a letter received from CCI.
 - i. The letter has since been reviewed, and request was made that the CCI letter be converted to an affidavit for review.
 - ii. This was then provided; commentary was given by the Director and the practitioner is in consultation with the attorneys to reach a resolution as to how this claim will be recorded and included in the business rescue plan.

PUBLICATION OF PLAN:

1. Based on the discussions had in this meeting:
 - 1.1. Another meeting will not be necessary as no new information will come to light before the proposed publication of the business rescue plan.
 - 1.2. It is the intention of the practitioners to publish the proposed business rescue plan soonest, as explained in the meeting, there are delays impeding the process that are outside of the control of the practitioners and as soon as these issues are addressed and resolved, they can be included in the plan for consideration by all the affected persons.
 - 1.3. A separate circular will be sent out with a final request for proof of claims prior to the publication of the plan.

PROOF OF CLAIMS:

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.

CLAIMS HAVE BEEN RECEIVED FROM THE FOLLOWING CREDITORS:

Should your name not be on the list below, this means that a claim has not been received by the practitioners and you should please submit one soonest, on the prescribed form as mentioned above.

CCI SA (Durban)

D360 Johannesburg

KNS Electrical & Data Solutions

Standard Bank Commercial Property Finance

Z Sisulu Trust

Kind Regards

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