

8 March 2023

CIRCULAR 20

THIS IS A CIRCULAR TO ALL THE AFFECTED PERSONS OF **VARYMIX NINETEEN (PTY) LTD** RELATING TO THE BUSINESS RESCUE PROCESS.

UPDATE ON THE BUSINESS RESCUE AND THE CONVERSION TO LIQUIDATION

The business rescue practitioner wishes to advise all the affected parties of the current state of the business rescue process.

Per the previous update contained in Circular 19:

“The practitioner confirms that at the time when he took the appointment, it was believed, based on information provided to him at the time, that a reasonable prospect of a successful business rescue existed, or at least a better result than immediate liquidation.

Due to the continued development of the matter and the various discoveries made during the practitioner’s Section 141 investigation into the affairs of the business, it has become clear that a reasonable prospect of a rescue no longer exists.

As such the practitioner informed the creditors of his intention to convert the business rescue proceedings to that of liquidation as the practitioner is of the opinions that a liquidator is in a better position, legally speaking, to pursue certain outstanding debts to the business and to finalise the affairs of the business in a way balances the rights of all affected persons.

The practitioner hereby gives notice that he has instructed an attorney (in this matter, Mr Albertus Kleingeld from Kleingeld Attorneys) to file for the conversion of the business rescue proceedings to that of a liquidation.”

Details pertaining to the liquidation:

The affidavit has been drafted and signed by the practitioner, this, accompanied by the notice of motion has been filed at court and it is the instruction from the attorney that the matter will be in court on the 16th of March 2023 where a provisional liquidation order will be sought.

Further update can only be provided after such a time and would, in the ordinary course of business be provided by either the attorney or the provisionally appointed liquidator/trustee.

The practitioner is *functus officio* in this matter and all future correspondence will be communicated directly from the liquidating attorney, the provisional liquidator or, in the absence of same, from the office of the practitioner.

All forms and circulars relating to the Business Rescue process for Varymix Nineteen (Pty) Ltd can be accessed at <https://pattinson.biz/document-library>

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