

09 November 2022

CIRCULAR 18

THIS IS A CIRCULAR TO ALL THE AFFECTED PERSONS OF **VARYMIX NINETEEN (PTY) LTD** RELATING TO THE OUTCOME OF THE 6TH MEETING OF CREDITORS, HELD IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE 6TH MEETING OF CREDITORS

The business rescue practitioner wishes to advise all the affected parties the outcome of the 6th meeting of creditors held on **4th of November 2022**.

Mr Pattinson welcomed the attendees and notified the attendees that the meeting would be recorded and a circular pertaining to the outcome of the meeting will be circulated to the affected persons.

The meeting was called to order with a single agenda, being that of the discussion of the current situation in which the business now finds itself.

The practitioner gave a brief overview of the events leading to the meeting having been called for. The practitioner confirmed 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 mentioned during the meeting, various difficulties with the ability of the business to timeously complete certain projects has now forced the business to incur penalties for not completing this work. The practitioner has decided to not send sub-contractors back to these sites with a prospect of them not being paid for same.

The practitioner is of the opinion 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 that better suits the affected persons. The Companies Act therefore compels the practitioner to give such notice to the affected persons, as he herewith does, and to file to have the business put into liquidation proceedings.

The practitioner hereby gives notice that he will, as soon as is practicable file for the conversion of the business rescue proceedings to that of a liquidation. Confirmation of same will be communicated to the affected parties and the dates in question will be circulated as soon as they are available.

QUESTIONS AND COMMENTS

1. A question was asked as to whom the appointed liquidator will be
 - a. The practitioner confirmed that he does not make this appointment and is also not in a position to give names or suggestions. He is simply to hand the matter to an attorney for the filing of the liquidation and the Master of the High Court will make the appointment in the ordinary manner.
2. A creditor asked about the ability to possibly purchase some assets from the business as a means to reduce the balance owed to that creditor
 - a. This is something that will need to be taken up with the liquidator once same is appointed, for the practitioner to now allow that to a single creditor may well be viewed as prejudicial and an unfair disposition during the liquidation proceedings.

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

Quinton Pattinson
patp@businessrescue360.co.za
082 749 6462

Jaco Durandt (Assistant)
jaco@pe-paralegal.co.za
076 773 4595