

27 July 2022

CIRCULAR 07

THIS IS A CIRCULAR TO ALL THE AFFECTED PERSONS OF **DIXOTIME (PTY) LTD** RELATING TO THE OUTCOME OF THE 3RD MEETING OF CREDITORS, HELD IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE 3RD MEETING OF CREDITORS

The business rescue practitioner wishes to advise all the affected parties the outcome of the 3rd meeting of creditors held on **25th of July 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. Mr Pattinson also apologised for the confusion during the first meeting of creditors.

INFORMATION PROVIDED BY THE BUSINESS

Trade Creditors	: R 4 248 033,29 (including Bank and other accounts not in arrears)
Debtors	: R 3 925 812
Assets	: R 33 7421 (28 February 2021)

The practitioner confirmed that at the time of filing for business rescue, the biggest debtor of the business is the connected entity (Varymix Nineteen) which is also in business rescue. The business also has a little over R4mil worth of creditors. The business' main source of income is the supply of building materials.

INFORMATION PROVIDED BY THE BUSINESS CONTINUED

Secured Creditors	1	R	122 818,22
Concurrent Creditors	12	R	2 894 962,79
Disputed Secured Creditors	2	R	701 794,97
TOTAL	15	R	3 719 575,98

As depicted above, the business rescue practitioner has to date received claims from only 15 creditors. Totalling around R3.7mil. The accounts of the business reflect approximately 40 creditors. We would again like to request that all creditors please submit a proof of claim form which is available at the website of the practitioner at <https://pattinson.biz/document-library>

It must be noted that of the 15 claims received so far, not all of them are for Dixotime. We understand that there may be some confusion regarding the two business rescue entities (Varymix and Dixotime) due to their connections. Please do however check carefully when submitting your proof of claim that you are doing so for the correct business.

ABOUT THE BUSINESS

Mr Wessels, Mr Maree, Mr Smith and Mr Nothnagel started the company in August 2012 and the shareholding in the business is as below:

Shareholder		
Thys Wessels	:	31,66%
Geoff Smith	:	15,83%
Thys Nothnagel		52,51%

ABOUT THE BUSINESS CONTINUED

Turnover, Profit, Retained Income for 2020, 2021 and 2022 Financial year ending in February:

	2022	2021	2020
2020 - Turnover	R 27 335 187,42	R 23 668 722,00	R 42 713 650,00
2020 - Cost of Sales	R 23 685 077,30	R 20 186 070,00	R 38 059 730,00
2020 - Expenses	R 3 716 273,99	R 3 723 898,00	R 4 094 678,00
2020 - Profit / loss before Tax	- R 42 739,23	- R 303 283,00	R 379 896,00
Year end February			

IMPORTANT DATES IN BUSINESS RESCUE PROCESS

Board Resolution Submitted	: 2 nd of June 2022, (133 Protection date)
Practitioner Appointed	: 2 nd of June 2022
1 st Meeting of Creditors	: 17 June 2022
2 nd Meeting of Creditors	: 17 June 2022
1 st Meeting with Staff	: 14 June 2022

FORMING A COMMITTEE

One element that was not dealt with during the first meeting of creditors was the formation of a creditors committee.

The Business Rescue Practitioner advised the attendees that they can form a committee of creditors in terms of section 147 of the Act.

The attendees voted against this proposal.

The business rescue practitioner will thus interact with all the creditors of the business directly.

The practitioner is however open to the formation of a creditors committee in the future.

Request for an extension

Based on the discussions had in this meeting, it is proposed that another meeting similar to this one is held on the 5th of September 2022 so that we can provide further feedback to assist in the drafting of a business rescue plan.

At this meeting, if required, the practitioner will ask for further extension on the publication date for the business rescue plan. Should that extension not be granted, the business rescue plan will be due for publication no later than 10 days after the meeting

A unanimous vote was achieved in this regard and therefore the next meeting will be on the 5th of September 2022 where a further update will be given.

Questions and Comments

- Who is the biggest debtor and what is the main source of income for the business?
 - o The practitioner stated earlier in the meeting that the biggest debtor in this rescue is Varymix Nineteen, the interconnected company. The main source of income for the business is supply of building materials.
- A question was raised about staff being let go.
 - o The practitioner requests that the creditors do not listen to rumours regarding the business rescue. All facts will be communicated by the practitioner to the creditors in approved communications such as these creditors meetings.
 - o At this point in time, there is no plans of letting the staff of the business go.
 - o The successful rehabilitation of this business is still the goal of this business rescue.
- There was some concern about the reasonable prospect of a successful rescue.
 - o The practitioner did confirm that the reasonable prospect of a successful rescue does exist.

- The practitioner is aware that the reasonable prospect is also largely dependent on the successful rescue of Varymix Nineteen, with them being such a large debtor in this business.
- The practitioner is however of the opinion that a reasonable prospect of a successful rescue does exist.

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

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