

CIRCULAR 03

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **C-MAX INVESTMENTS 276 (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 practitioner¹ wishes to advise all the affected parties the outcome of the 1st meeting of creditors of **C-Max Investments 276 (Pty) Ltd** (Herein after referred to as "The Business") - held on 11 June 2026.

Mr Durandt gave a brief introduction of the Business Rescue team and welcomed all of the affected persons to the meeting.

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 Act² and has filed for Business Rescue in terms of the Act³.

1.4. Had the directors decided not to file for business rescue, they would be compelled in terms of the Act⁴ to deliver a formal written notice (in the form of a CoR123.5) to every affected person detailing:

¹ Jaco Durandt, Junior Business Rescue Practitioner.

² Section 128(1)(f) of the Companies Act 71 of 2008.

³ Section 129 of the Companies Act.

⁴ Section 129(7) of the Act.

- 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? YES

- 1.5.1. Based on the information provided to the practitioners to date, there does appear to be a reasonable prospect of a successful rescue of the business.
- 1.6. Although a rehabilitation of the business may 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 Act⁵ and the judgment of *Carrol v Michael Carrol*.⁶

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	: R 3 977 401,55 – based on claims received
Loan Accounts (Receivable)	: TBC – Queries sent to accountant/director
Loan Accounts (Payable)	: TBC – Queries sent to accountant/director
Debtors	: TBC
Assets	: +-R7 mil in erven (balance to be confirmed)

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.

2.2. 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.⁷

3. **REASONS FOR THE FINANCIAL DISTRESS:**

- 3.1. The financial distress experienced by the Company arose primarily from substantial tax liabilities owing to the South African Revenue Service (“SARS”) which arose during the development of Marina Martinique Phase 3.
- 3.2. The Company's position was further impacted by the withdrawal of development funding following the COVID-19 pandemic, which required the Company to secure alternative funding in order to complete the development.
- 3.3. During 2021 the Company secured private funding of approximately R10 million from investors, which funding was ultimately settled through the transfer of serviced stands within the development.
- 3.4. Whilst the transfer of the serviced stands extinguished the Company's obligations to those investors, the transactions resulted in significant VAT and income tax consequences, creating substantial tax liabilities without a corresponding inflow of cash.
- 3.5. The reversal of tax allowances previously claimed in terms of section 24C of the Income Tax Act further increased the Company's tax burden and contributed to severe cash flow constraints.
- 3.6. Despite the above, the Company remains asset-positive, and the financial distress is attributable primarily to historical tax liabilities and cash flow constraints rather than a lack of underlying asset value.

⁷ 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 May 2026 (133 Protection date)
CIPC returned	: 1 June 2026
Practitioner Submitted	: 1 June 2026
CIPC returned	: 1 June 2026
1 st Meeting of Creditors	: 11 June 2026
Date for Publication of the Plan	: 6 July 2025

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.⁸ 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. PROOF OF CLAIMS

6.1. The practitioner confirmed that he has sent out the proof of claim forms and these proof of claim forms must be completed and returned to him 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.

⁸ Section 147.

6.2. 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.

7. **QUESTIONS / COMMENTS**

7.1. Some questions were raised with particular focus on a sewer pipeline that is to be built by C-Max. The pipeline is meant to service the stands that are currently being considered for sale.

7.1.1. The practitioners are aware of this pipeline that needs to be completed. Although the HOA and others may consider this a part of their claim – the practitioner confirmed that this is a commitment in terms of the sales of these properties. The construction will be completed as part of the sale of the properties and the funding for same will be made available, first, along with rates, taxes, clearances and other fees associated with the transfers of the erven.

Kind Regards

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