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25 October 2022

CIRCULAR 05

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **BEE PACKAGING (PTY) LTD** WITH REGISTRATION NUMBER **2014 / 283042 / 07** IN TERMS OF SECTION 129 OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE 2ND MEETING OF CREDITORS

The business rescue practitioner wishes to advise all the affected parties the outcome of the 2nd meeting of creditors held on **18th of October 2022**.

The practitioner gave a brief agenda regarding the meeting and having no further items to add, the 2nd meeting of creditors commenced.

STATEMENT OF PROFIT AND LOSS

The business rescue practitioner detailed the profit and loss statement since the business commenced business rescue. The figures still depict an operating loss, but the numbers are skewed as they do not consider any work done or materials bought prior to the filing for business rescue.

The practitioner is confident that these numbers will change based on the operational improvements that have been made and new orders/work that is coming in.

OPERATIONAL IMPROVEMENTS

Since the practitioner has been appointed, he has consulted with the director on many occasions, and it has become clear that certain operating procedures need to be put in place to ensure the longevity of this business.

Some of the operational improvements implemented thus far in the process are detailed below:



- **Management** of the company's bank accounts
- Implementation of a **payment requisition** system
- Negotiated a **new lease** agreement (at a new premises) for a substantially lower price (equating to an overall reduction in the expenses of the business by 26%)
- Additional measures are being put in place to **further reduce** the overall expenses of the business by a further 4 - 6%, such as:
 - Cost of raw materials savings due to **buying in bulk**
 - Cash buying and therefore will ask for **settlement discounts**
 - Will look for **alternative suppliers** for better pricing (already commenced)

CREDITORS INFORMATION PROVIDED

The practitioner confirms that he has received only 5 proof of claim documents thus far and therefore it is clear that the information provided to the practitioner is not yet sufficient. The practitioner therefore requests again that ALL creditors of the business please fill in the prescribed claim form (attached) and return it to the practitioner ASAP. The current list of claims received is as detailed below:

Nr	Creditor	Acronym	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	% Voting Interest
1	Redfern	CC	R 2 006,97			R 2 006,97	0,11%
2	SARS VAT	CC	R 18 614,29			R 18 614,29	1,02%
3	SARS PAYE	CC	R 3 640,48	R 399,86	R 100,47	R 4 140,81	0,23%
4	SARS UIF	CC	R 7 911,70	R 791,17	R 306,76	R 9 009,63	0,50%
5	SARS SDL	CC	R 5 292,00	R 529,21	R 208,08	R 6 029,29	0,33%
6	SANHA	CC	R 1 279,95			R 1 279,95	0,07%
7	Peters Papers	CC	R 57 684,12			R 57 684,12	3,17%
8	OTC Papers	CC	R 1 608 463,23		R 111 171,78	R 1 719 635,01	94,57%
9						R -	0,00%
10						R -	0,00%
11						R -	0,00%
12						R -	0,00%
13						R -	0,00%
14						R -	0,00%
15						R -	0,00%
16						R -	0,00%
17						R -	0,00%
18						R -	0,00%
TOTAL		8	R 1 704 892,74	R 1 720,24	R 111 787,09	R 1 818 400,07	100,00%

SUMMARY BY CREDITOR ACRONYM		Count	Capital Amount	Interest & Admin Fees	Legal Fees	Amount Due	%
SC	Secured Creditors	-	R -	R -	R -	R -	0,00%
CC	Concurrent Creditors	8	R 1 704 892,74	R 1 720,24	R 111 787,09	R 1 818 400,07	100,00%
PC	Post Commencement Finance	-	R -	R -	R -	R -	0,00%
D-SC	Disputed Secured Creditors	-	R -	R -	R -	R -	0,00%
D-CC	Disputed Concurrent Creditors	-	R -	R -	R -	R -	0,00%
D-PC	Disputed Post Commencement Finance	-	R -	R -	R -	R -	0,00%
TOTAL		8	R 1 704 892,74	R 1 720,24	R 111 787,09	R 1 818 400,07	100,00%

The practitioner is aware that there is far more debt than is depicted by the proof of claims received, most notably SEFA and the previous Landlord have yet to submit claims.



PROOF OF CLAIMS

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.
2. No fixed deadline for these submissions was provided during the meeting, but the practitioner will provide this deadline once the publication date of the proposed plan is confirmed.
 - 2.1. It was stated that all proof of claims must be provided at least 5 days prior to the publication of the proposed business rescue plan, allowing sufficient time to incorporate all the details into the plan.

WHY REQUEST FOR AN ADDITIONAL EXTENSION OF THE PUBLICATION DATE

1. Availability of the Financial Information
 - a. The AFS were received later than expected and require a full review
2. Time needed to investigate the affairs and current financial position of the business
 - a. To ascertain the exact financial position of the business as per the investigative powers granted to the practitioner in terms of the Act
3. Current projects ongoing and awaiting their finalization
4. Still awaiting many creditors' claims
 - a. Per the above, the practitioner requests that creditors submit these proof of claims as soon as possible
5. Implementation of operational improvements

REQUEST FOR AN EXTENSION

The current due date for the publication of the business rescue plan, should an extension not be given, is the 1st of November 2022.

Based on the discussions had in this meeting, it is proposed that another meeting like this one is held on the 10th of November 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 business days after the meeting.



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A unanimous vote was achieved in this regard and therefore the next meeting will be on the 10th of November 2022 where a further update will be given.

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

Kind Regards

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