

8 February 2023

CIRCULAR 19

**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

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

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.

Further to the above, the practitioner had various difficulties in securing funds from the bank as the bank held a valid security over the funds. Some funds were also held by the bank for a 3rd party, which the practitioner was not aware of.

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.

A further delay was caused as the practitioner could not secure funding to pay an attorney a deposit to commence the liquidation application for this business as the bank held firm to their security.

The practitioner has subsequently secured the services of an attorney willing to assist with the liquidation application on risk, with the assistance of the bank.

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.

Further details pertaining to the liquidation will be communicated to the affected parties by the attorney and or the liquidator as soon as the appointment is made.

The practitioner is therefore *functus officio* in this matter and all future correspondence will be communicated directly from the liquidating attorney.

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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