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TongaatHulett®

- Delivered by Email To:**
- All known Creditors of Tongaat Hulett Sugar South Africa Limited (in business rescue)
 - Companies and Intellectual Property Commission
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- Published:**
- On the website maintained by the Company and accessible to Affected Persons
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22 February 2023

REQUEST FOR CREDITORS' CONSENT IN TERMS OF SECTION 150(5) OF THE COMPANIES ACT 71 OF 2008, AS AMENDED ("Companies Act") FOR EXTENSION OF THE PUBLICATION OF THE BUSINESS RESCUE PLAN OF TONGAAT HULETT SUGAR SOUTH AFRICA LIMITED (in business rescue) ("Company")

1. BACKGROUND

- 1.1. Section 150(5) of the Companies Act requires that a business rescue plan ("**Plan**") for the Company should be published within 25 business days after the date on which the business rescue practitioners ("the **Practitioners**") were appointed, or such longer time as may be allowed by the holders of a majority of the creditors' voting interests.
- 1.2. The currently agreed date for publication of the Plan is on or before 28 February 2023.
- 1.3. The Company is a wholly owned subsidiary of Tongaat Hulett Limited (in business rescue) ("**THL**") and has historically acted as agent for THL, with THL constituting the undisclosed principal of the Company. The Company's affairs and business activities are therefore wholly interlinked with those of THL.
- 1.4. Accordingly, the development of a substantial Plan for the Company, is inextricably linked and absolutely dependent on the BRPs ability to prepare sufficiently detailed Plan for THL.

2. CURRENT CONSIDERATIONS REGARDING THE BUSINESS RESCUE PROCEEDINGS


- 2.1. The Practitioners continue with engagements to obtain post-commencement finance (“**PCF**”) for THL, being the principal, meeting with affected persons and other stakeholders of THL and investigating the Company's affairs. These activities are very time consuming and were severely restricted during the immediately preceding holiday season.
- 2.2. With regard to the development of a Plan for THL, the Practitioners are engaged in continued discussions and/or negotiations with various stakeholders regarding the development of the THL Plan (upon which the Plan for the Company will rely), which will ideally culminate in the incorporation of more specific details relating to a transaction and/or structure that the creditors will be asked to vote on. At present, with multiple outcomes possible, the details of this are vague and would be difficult to include in a Plan for THL.
- 2.3. A process has been embarked upon by THL to secure a strategic equity partner (“**SEP**”). There are a number of potential restructuring permutations which would likely flow from this SEP process. Outcomes from this process will become known in mid-June 2023.
- 2.4. It is a condition of THL's current funding arrangements that a standstill be adhered to until 30 June 2023. As a result, it makes great sense to align the THL Plan publication date with the agreed standstill arrangement and accordingly, align the Company's Plan publication date with that of the THL Plan.
- 2.5. It is the Practitioners view that the net result of the above will be that, with a deferment to the end of June, the Practitioners would be in a better position to publish more meaningful Plans for both THL and by extension the Company, both which will contain greater detail and certainty on the abovementioned matters, thus enabling Affected Persons to make an informed decision on the adoption of the Plans (or any further extensions). Conversely, the publishing of Plans based on currently available information will result in the publication of Plans which are somewhat speculative and lacking in detail and thus, the Practitioners are concerned that Affected Persons are unlikely to have sufficient information upon which to meaningfully base their decision to vote on the adoption or otherwise of the Plans.

3. PRACTITIONERS REQUEST FOR FURTHER EXTENSION TO THE DATE FOR THE PUBLICATION OF THE PLAN

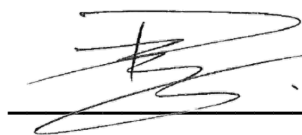
- 3.1. In light of the above, the Practitioners request the creditors of the Company to provide their consent for the extension of the date by when the Plan is required to be published to 30 June 2023, in accordance with the terms of section 150(5)(b) of the Companies Act.

- 3.2. In order for the consent to be granted, the Practitioners require the holders of a majority of the creditors' voting interests to vote in favour of the request.
- 3.3. The Practitioners believe that this request for extension is not unduly prejudicial to any creditors and if approved, will result in an enhancement of the confidence in the business rescue plan and process. It is also important to note that the date of publication of the Plans, has no material impact on the ongoing operational aspects of THL or the Practitioners' endeavours to ensure that THL continues to trade during the business rescue proceedings. THL are consistently engaged in their regular business operations and in the completion of off-crop maintenance, which is progressing well, and the operations are on track to be ready for the commencement of the 2023/24 season. The Company is effectively dormant, with all operations being conducted by THL, being the principal. The comments above would therefore, by extension apply to the Company, as their Plan is wholly dependent upon that of THL.
- 3.4. Furthermore, creditors are advised that the date of the publication of THL's and the Company's Plans will have no material impact on the duration of the business rescue proceedings or the costs thereof. The same work will need to be done irrespective of the Plan publication date, all that is changing is the sequence of events (publishing the Plan after completion of THL's SEP process rather than before it).
- 3.5. Creditors are requested to provide their consent to the extension of the date by when the Plan is required to be published to 30 June 2023 by signifying such consent to the Practitioners, in writing (including in the form of an e-mail), by no later than **21:00 on Friday, 24 February 2023**, such notification to be sent to: lauren.arnold@tongaat.com.
4. Creditors are reminded that all notices and documents regarding the business rescue proceedings of the Company are made available to Affected Persons on the Tongaat website at: www.tongaat.com, under the 'Business Rescue' tab.

Yours faithfully,



TJ Murgatroyd



PF van den Steen



GC Albertyn

Joint Business Rescue Practitioners of Tongaat Hulett Sugar South Africa Limited (in business rescue)