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TongaatHulett®

- Delivered by Email To:**
- All known Affected Persons of Tongaat Hulett Developments Proprietary Limited (in business rescue)
 - Companies and Intellectual Property Commission
- Displayed:**
- Registered office and principal place of business of the Company
 - Anywhere where employees are employed
- Published:**
- On the website maintained by Tongaat Hulett and accessible to all Affected Persons
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June 2023

REPORT ON THE STATUS OF THE BUSINESS RESCUE PROCEEDINGS OF TONGAAT HULETT DEVELOPMENTS PROPRIETARY LIMITED (IN BUSINESS RESCUE) ("Company")

1. GENERAL

- 1.1. In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("**Act**") when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to–
- 1.1.1. prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
 - 1.1.2. deliver the report and each update to each affected person and to the Companies and Intellectual Property Commission ("**CIPC**").
- 1.2. Accordingly, we hereby provide you with the sixth report, being the June 2023 report, on the status of the Company's business rescue proceedings.
- 1.3. The following matters have occurred or remain relevant since the distribution and publication of the May 2023 status update report:

2. BUSINESS RESCUE UPDATES

2.1. Publication of the Company's Business Rescue Plan

2.1.1. The joint business rescue practitioners of the Company (“**BRPs**”) published the proposed Business Rescue Plan for the Company (“**Plan**”) on **Friday 19 May 2023**. The Plan was distributed to all known Affected Persons and is available to view and download under the ‘Business Rescue’ tab on the Company’s website at: www.tongaat.com.

2.1.2. Capitalised words not otherwise defined in this report shall have the meaning ascribed to them in the Plan.

2.2. Meeting in terms of Section 151 of the Act

2.2.1. In addition to the publication of the Plan on 19 May 2023, the BRPs further distributed a notice to Affected Persons in terms of Section 151(2) of the Act (“**s151 Notice**”) to Affected Persons. The s151 Notice provided details regarding the meeting to determine the future of the Company (“**Meeting**”), in accordance with section 151(2) of the Act. The Meeting was convened virtually as a Microsoft Teams Live Event, and was held on **Tuesday, 30 May 2023 at 10:00**.

2.2.2. At the Meeting, the BRPs detailed and explained the provisions set forth in the Plan and subsequently called for the Creditors to vote on the Plan. The BRPs permitted voting by proxy at the Meeting and provided Affected Persons with proxy forms, prior to the Meeting. Due to the virtual nature of the Meeting, Creditors and any other holders of a voting interest, could also submit their votes by typing their vote in the digital chat box available for the purposes of live written submissions during the Meeting.

2.2.3. For the Plan to be approved and binding on the Company, it had to be supported by the holders of more than 75% of the total Creditors’ voting interests that were voted and the votes in support of the proposed plan must include at least 50% of the independent creditors voting interests, if any, that were voted.

2.2.4. Votes were cast by all Creditors and any other holders of a voting interest, present and voting at the meeting and of the votes cast:

2.2.4.1. **99.8% voted in favour** of the Plan;

2.2.4.2. **0.02% voted against** the Plan; and

2.2.4.3. **0.00% abstained** from voting on the Plan.

2.2.5. Of the votes cast in support of the Plan by the independent creditors with voting interests:

2.2.5.1. **99.8%** of the independent creditors **voted in favour** of the Plan;

2.2.5.2. **0.02%** of the independent creditors **voted against** the Plan; and

2.2.5.3. **0.00%** of the independent creditors **abstained** from voting on the Plan.

2.2.6. Based on the above, the Plan has been approved with an overwhelming majority of support and has therefore been adopted.

2.2.7. Affected Persons are reminded that in terms of section 152(4) of the Companies Act 71 of 2008, a business rescue plan that has been adopted is binding on the company, and on each of the creditors of the company and every holder of the company's securities, whether or not such a person –

2.2.7.1. was present at the meeting;

2.2.7.2. voted in favour of adoption of the plan; or

2.2.7.3. in the case of creditors, had proven their claims against the company

2.2.8. Accordingly, **the approved and adopted Plan is final and binding on the Company and on all Affected Persons.**

2.2.9. A Notice detailing the outcome of this vote was circulated to Affected Persons after the Meeting, on Tuesday, 30 May 2023.

2.3. Business Rescue Proceedings of other Tongaat Hulett group entities

2.3.1. The business rescue plan for Tongaat Hulett Limited ("**THL**"), the Company's ultimate parent company, was published on 31 May 2023 and the business rescue plans for the other two Tongaat Hulett group companies in business rescue, Tongaat Hulett Sugar South Africa Limited ("**THSSA**") and Voermol Feeds Proprietary Limited ("**Voermol**") were also published on 31 May 2023.

2.3.2. The meetings to determine the futures of THL, THSSA and Voermol, in terms of section 151 of the Act, were convened on 14 June 2023. Due to several mitigating factors and relevant considerations, the BRPs called on the creditors of the individual companies to consider and vote on the motions that were duly proposed in all three of the respective meetings. These motions, in terms of Section 151(3) and/or Section 152(1)(d)(i) and/or Section 152(1)(d)(ii) of the Act, were essentially for: (i) adjournments of the Meetings to no later than 30 September 2023; and (ii) the BRPs

ability to amend the proposed business rescue plans of THL, THSSA and Voermol, insofar as necessary, taking into account developments and any other factors relevant.

2.3.3. The BRPs received sufficient votes in the meetings and/or by proxy, which overwhelmingly adopted the motions proposed in the THL, THSSA and Voermol meetings. Accordingly, the THL, THSSA and Voermol meetings in terms of section 151 of the Act were adjourned to a date no later than 30 September 2023 and the BRPs will publish the amended business rescue plans, in due course.

2.3.4. Separate monthly status update reports are provided for THL, THSSA and Voermol, which reports are uploaded and made accessible to Affected Persons on the Company's website at: www.tongaat.com, under the 'Business Rescue' tab.

2.4. Asset and Business Sales

2.4.1. The Plan outlines the various properties and related sales processes available to realise potential value for the Company's Affected Persons. As such, these matters will be dealt with in the implementation of the Plan during the course of the business rescue proceedings and in accordance with the provisions set forth in the Plan.

2.5. Claims Reconciliation and Dispute Resolution

2.5.1. The provisions set forth in Sections 16 and 17 of Chapter 3, as well as the additional information included in 'Annexure J' of the approved and adopted Plan, provides for a dispute resolution mechanism and process for Creditors to deal with any disputes related to their claims against the Company. Creditors who dispute their claims as reflected in the Plan, will be at liberty to follow such processes, if they so wish.

3. **CLOSING REMARKS**

3.1. It remains our view that with your continued assistance and co-operation, the Company stands a reasonable chance of being rescued, within the meaning of section 128(1)(h) of the Companies Act, in a manner that will balance the rights and interests of all Affected Persons.

3.2. Affected Persons are reminded that all notices and documents regarding the business rescue proceedings of the Company that have been and/or will be circulated to all known Affected Persons, are/will be published and made available to all Affected Persons, on the Tongaat website at: www.tongaat.com, under the 'Business Rescue' tab.



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3.3. If you have any queries, they may be directed to the business rescue email address at:
BR@tongaat.com.

Yours faithfully,

TJ Murgatroyd

PF van den Steen

GC Albertyn

**The Joint Business Rescue Practitioners of Tongaat Hulett Developments Proprietary Limited
(in business Rescue)**