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TongaatHulett®

- Delivered by Email To:**
- All known Affected Persons of Tongaat Hulett 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 the Company and accessible to Affected Persons
 - Availability recorded in an announcement to shareholders on the Stock Exchange News Service (SENS), after distribution.
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June 2023

REPORT ON THE STATUS OF THE BUSINESS RESCUE PROCEEDINGS OF TONGAAT HULETT 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.

2. BUSINESS RESCUE UPDATES

The following matters have occurred or remain relevant since the distribution and publication of the May 2023 status update report:

2.1. Publication of the Company's Proposed 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 **Wednesday, 31 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. The BRPs distributed a notice to Affected Persons, in terms of Section 151(2) of the Act (“**s151 Notice**”), which 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 for **Wednesday, 14 June 2023 at 13:00**.

2.2.2. In the Meeting, the BRPs provided a brief update on the current status of the business rescue proceedings of the Company and then advised Affected Persons in the Meeting that, in the ordinary course of business rescue proceedings, the Meeting would normally be held for the purposes of considering and voting on the Plan.

2.2.3. However, the BRPs advised that following the insistence of the majority of the Company’s Creditors a ‘process’ type Plan has been published, as opposed to a plan containing details of a specific transaction(s). In its current form, the Plan contemplates the sale of all material assets of the Company following the outcome of the Strategic Equity Partner (“**SEP**”) process, which has culminated in eight SEPs expressing interests in the Company’s assets/businesses. The objective of the anticipated disposals in the Company, is to realise value and apply such proceeds towards the Company’s relevant creditors’ claims, while simultaneously securing the survival and operation of the underlying Tongaat Hulett businesses, under new ownership.

2.2.4. The next step in this process was the submission of final binding offers by Thursday, 15 June 2023. The BRPs reiterated that they have always preferred the publication of a Plan which provides detailed information regarding a specific transaction and/or transactions. In light thereof, the BRPs continued their engagements with various relevant parties subsequent to the publication of the Plan.

2.2.5. The BRPs further explained that the outcome of the SEP process will likely result in the sale of the assets of the Company, which is/are relates to the security held by the Lender Group and Industrial Development Corporation of South Africa Limited (“**IDC**”). As a result, the BRPs are required to actively engage with the Lender Group and the IDC to determine the most appropriate transaction to pursue, in order for them to release their security.

- 2.2.6. The SEPs were expected to submit final binding offers by 15 June 2023, the day after the Meeting and taking into account certain ongoing litigation matters, the BRPs advised the Meeting that they deemed it appropriate, necessary and expedient to adjourn the Meeting to consider and vote on the Plan.
- 2.2.7. The BRPs acknowledged that an adjournment to the Meeting may be unsettling if it was not clearly understood. It was emphasized that the motions to adjourn the Meeting and to allow the BRPs to amend of the Plan, will result in an amended Plan being proposed, which will provide detailed provisions based on the outcome of the SEP process and the resultant consequences on the claims lodged against the Company. As such, the proposed motions were aimed at creating a greater degree of certainty for all Affected Persons and should thus be considered a positive step in the business rescue process.
- 2.2.8. Accordingly, the BRPs called on Creditors to consider the following motions in terms of Section 151(3) and/or Section 152(1)(d)(i) and/or Section 152(1)(d)(ii) of the Act, for:
- 2.2.8.1. an adjournment of the Meeting to **no later than 30 September 2023** and that Creditors must be provided with no less than 30 days prior written notice of the intended date of the adjourned Meeting, as it is deemed to be necessary and expedient; and
- 2.2.8.2. the **BRPs to amend the proposed Plan** insofar as necessary, taking into account the aforementioned developments and other factors that may be relevant.
- 2.2.9. The BRPs advised that these motions had been proposed by Standard Bank and seconded by Absa. Representatives from both banks were in attendance at the Meeting. Standard Bank confirmed the proposed motion, which was seconded by Absa Bank.
- 2.2.10. Votes were cast by Creditors and any other holders of a voting interest, present and voting at the Meeting and the BRPs had additionally received several votes by Proxy prior to the meeting. All votes cast were duly recorded and subsequently tallied during the meeting, and of the votes cast:
- 2.2.10.1. **99.85% voted in favour of** the motions; and
- 2.2.10.2. **0.15% voted against** the motions.
- 2.2.11. As such, the BRPs reported to the Meeting and hereby confirm that: the Meeting was

adjourned to no later than 30 September 2023 and Creditors must be provided with no less than 30 days' prior written notice of the intended date of the adjourned Meeting, and; the BRPs will amend the proposed Plan insofar necessary, taking into account the abovementioned developments and other factors that may be relevant.

2.2.12. The BRPs will keep Affected Persons updated on the progress of the business rescue proceedings and all other relevant developments and/or outcomes in this regard.

2.3. Project Totum Update

2.3.1. Creditors are advised that the bidders have submitted their final offers as contemplated above. The BRPs are currently in negotiations with the Lender Group and IDC, the secured creditors, to determine the optimal way forward.

2.3.2. Creditors will be advised of progress in this regard once the outcome is known.

2.4. Post Commencement Finance ("PCF")

2.4.1. The BRPs are pleased to report that PCF has been extended for a further period beyond 30 June 2023. Further negotiations are ongoing aimed at obtaining a longer-term extension to allow for the finalisation of the current bid process. Creditors will be updated as matters unfold.

2.5. Claims Submission and Reconciliation

2.5.1. Post the publication of the Plan, we have continued to receive new, amended and re-submissions of claims, from multiple Creditors. Thus, the process of claim verification and reconciliation of all claims received remains ongoing. We will accept the Company records as being correct unless the claimant can prove otherwise. Creditors who have not submitted a claim form are urged to do so as soon as possible. Claims may be submitted to the BRPs at the business rescue email address at: BR@tongaat.com. We will endeavour to complete the reconciliation and verification process of all claims as soon as possible and all claims that are accepted in whole or in part and all updated claim amounts will be reflected in the amended business rescue plan. The amended business rescue plan will provide a process for Creditors to deal with any remaining disputes related to claims and Creditors who dispute their claims reflected in the amended business rescue plan, will be at liberty to follow such process, if they so wish.

2.5.2. In addition to the aforementioned processes with regard to the ongoing confirmation of Creditor claims, Creditors are further advised that in the weeks leading up to the

publication of the Plan, it was brought to the BRPs' attention that a number of Creditor claim submissions had either not been received or had not been adequately reconciled by the Company. We apologise for this regrettable inconvenience and request that all Creditors review their claim as it is reflected in 'Annexure A' of the Plan, which reflects all claims in accordance with the Company's records. In the event that you identify any discrepancies between your submitted claim and your claim amount recorded by the Company in 'Annexure A' of the Plan, we kindly request that you contact us as soon as possible on: BR@tongaat.com, and submit or re-submit your completed Claim Form and any relevant supporting documentation, in order to aid the Company's reconciliation of your pre-business rescue claim

2.6. Business Rescue Proceedings of other Tongaat Hulett group entities

- 2.6.1. The business rescue plan for Tongaat Hulett Developments Proprietary Limited ("**THD**") was published on Friday, 19 May 2023. On Tuesday, 30 May 2023, the BRPs convened and presided over a meeting to determine the future of THD, in terms of section 151(2) of the Act. In this meeting, the BRPs called on the THD Creditors to vote on the proposed THD business rescue plan. A significant majority of THD Creditors voted in favour of the proposed business rescue plan. Thus, the THD business rescue plan has been duly approved and adopted and is legally binding on all affected persons of THD.
- 2.6.2. The business rescue plans for Tongaat Hulett Sugar South Africa Limited ("**THSSA**") and Voermol Feeds Proprietary Limited ("**Voermol**") were published on 31 May 2023. On Wednesday, 14 June 2023, the BRPs presided over the THSSA and Voermol meetings, convened in accordance with section 151(2) of the Act. As per the information previously provided to affected persons, the business rescue proceedings of THSSA and Voermol are inextricably linked to those of the Company and as such, the BRPs deemed it appropriate, necessary and expedient to delay and adjourn the THSSA and Voermol meetings to consider and vote on the business rescue plans, in alignment with the motions proposed in the Company's Meeting. Thus, the BRPs called on THSSA and Voermol creditors to vote on the proposed motions, as detailed in this report, in the respective companies' meetings. The resultant outcomes determined that a significant majority of both THSSA creditors and Voermol creditors voted in favour of the proposed motions.
- 2.6.3. Separate monthly status update reports are provided for THD, 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.

2.7. Litigation Matters

2.7.1. Affected Persons are advised that an important Notice to Affected Persons and additional information pertaining to an ongoing litigation matter within the Tongaat Hulett group, was distributed to Affected Persons on 15 June 2023. The BRPs request that Affected Persons consider the Notice and the supplementary information associated with the Notice, and further advise Affected Persons to contact the relevant persons detailed in the documents, if you have any further queries or concerns in this regard. The Notice and all the additional documentation has been published and made available to all Affected Persons on the Company's website at: www.tongaat.com, under the 'Business Rescue' tab.

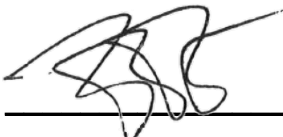
3. **CLOSING REMARKS**

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.

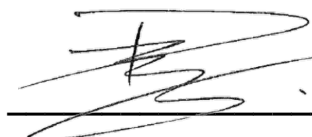
3.2. Affected Persons are reminded that all notices and documents regarding the business rescue proceedings of the Company that have been and/or will be circulated to all known Affected Persons are or will be published and made available to all Affected Persons on the Company's website at: <https://www.tongaat.com>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

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 Limited (in business Rescue)