



MATUSON
ASSOCIATES

Megatron SA (Pty) Limited (“the Company”)

Registration number 2007/011513/07

April 2018

**Report to the Companies and Intellectual Property Commission
and to all Affected Persons**

In Terms of Section 132 (3) (a) of the Companies Act 71 of 2008

Prepared by:

Barry Kaganson – Business Rescue Practitioner



1. Introduction

1.1 The Business Rescue Proceedings (“BRP”) of the Company have not been concluded within three months of the date of commencement thereof. This report is accordingly being tabled in terms of Section 132 (3) (a) of the Companies Act 71 of 2008 (“the Act”).

1.2 Reference is made in this report to the Business Rescue Plan (“the Plan”), it is important therefore that this report be read in conjunction with the Plan and the previous update reports.

2. Implementation of the Plan

Employees:

- All employee contracts were terminated with effect from 30 September 2016.
- The following payments were made to employees upon termination:
 - Ordinary remuneration and benefits up to 30 September 2016.
 - Severance pay of 1 week’s remuneration for every completed year of service.
 - Outstanding leave pay.

Creditors:

- We have paid a dividend of 4 cents to concurrent creditors on 28 February 2018.
- Disputed claims will be dealt with in terms of paragraph 36 of the Plan.

Updates on Assets/Projects:

- **Zuikerbosch (R1.7mil as per Plan)**

The assessment is still ongoing in respect of the counterparty claims to assess the financial feasibility of completing the project.

- **Fungurume (R3.1mil as per Plan)**

It is unlikely that the company will recover this amount.



- **Shilatembo Project (R14.5mil as per Plan) & SEK 30MVA Transformer Project (R11.5mil as per Plan)**

The counterparty to the Shilatembo project is engaged in a restructuring and refinancing and are currently in discussions with them regarding the purchase of the project.

- **Botjheng Loan Account (R4.5mil as per Plan)**

The arbitration is ongoing. The realisation of the loan account is uncertain at this time.

- **Namibia Loan Account (R3.4mil as per Plan)**

An amount of R2.8 million was recovered.

- **Blade Room (R65mil as per Plan)**

The transfer of the Blade Room was registered on the 17 August 2017.

- **Stock & Movables (R1.7mil as per Plan)**

The company is in the process of finalising the sale of all the stock and movables. To date, the company has received R1.5 million these assets. Stock and movables have been sold where possible.

3. Actions necessary for the substantial completion of the Plan

Substantial implementation will be deemed to have occurred upon all of the Company's assets having been realised and the final distribution having been made to creditors.

4. Conclusion

The Practitioner remains of the view that there is a reasonable prospect of the Company being rescued by obtaining a better return for the Company's creditors than would result from the immediate liquidation of the Company.
