
January 2024

Attention: **All Affected Persons of Edcon Limited (in business rescue) (“Edcon”)**

RE: REPORT ON THE PROGRESS OF THE BUSINESS RESCUE PROCEEDINGS OF EDCON

Introduction

1. In terms of section 132(3) of the Companies Act 71 of 2008 (“**Act**”), if a company’s business rescue proceedings have not ended within three (3) months after the start of those proceedings, or such longer time as the Court, on application by the practitioner, may allow, the practitioner must –
 - 1.1. prepare a report on the progress of the business rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and
 - 1.2. deliver the report and each update in the prescribed manner to each affected person, and to the:
 - 1.2.1. Court, if the proceedings have been the subject of a court order; or
 - 1.2.2. Commission, in any other case.
2. Therefore, as required, this **Update Report** is being delivered by the business rescue practitioners of Edcon (“**BRPs**”) in terms of section 132(3) of the Act.
3. Reference is made in this Update Report to the adopted business rescue plan (“**Plan**”). Any capitalised terms not defined herein shall have the meaning ascribed to same in the Plan. It is therefore important that this Update Report be read in conjunction with the Plan and the previous update reports.

Business Rescue Proceedings

4. Legal Proceedings
 - 4.1. Affected Persons are referred to the notice, dated 19 August 2021, which provides the details of the application brought by Kingsgate Clothing (Pty) Ltd & 9 Others (“Kingsgate”) against Edcon and the BRPs under case number 19064/21 (“**leave application**”).
 - 4.2. The BRPs will update Affected Persons on any progress made in this regard.
5. Wind-Down of Subsidiaries
 - 5.1. The BRPs are in the process of winding-down the Company’s subsidiaries in Botswana, Lesotho, Namibia and eSwatini (“Rest of Africa Subsidiaries” (“ROA”).
 - 5.2. Proceeds received in respect of any shares in the ROA Subsidiaries or in respect of any inter-company loans form part of the Secured Trading Proceeds and will be allocated to the Intercreditor Secured Creditors.

Conclusion

6. The BRPs will continue implementing the Plan in accordance with their statutory obligations.
7. All relevant notices in respect of the business rescue proceedings of Edcon can be found on www.matusonassociates.co.za/edcon.