
May 2021

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 (“CIPC”), 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. Wind-Down Process

The BRPs have continued with the realisation of the remaining assets not sold pursuant to the Accelerated Sales Process and the collection of sundry debtors.

5. Landlords

The BRPs are in the process of finalising the reconciliation of the Landlords' PCF claims. It is anticipated that the Landlords' PCF claims will be paid during the month of June 2021.

6. Proof of Claims

6.1. There remains a large number of pre-commencement creditors who have yet to submit their claims, and who are encouraged to do so.

6.2. A claim form, online or manual, is available on www.matusonassociates.co.za/edcon.

6.3. **Please ensure that your vendor number (where available) is clearly highlighted, as this will assist the team with the reconciliation process.**

6.4. To the extent that any claims are disputed, paragraph 39 of the Plan makes provision for a dispute resolution mechanism.

6.5. Edcon, together with the BRPs, are reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.

Dividends

7. Subject to the reconciliation and finalisation of all claims, including disputed claims, the BRPs anticipate that the estimated business rescue dividend to concurrent creditors will be in accordance with what has been set out in paragraph 27.2 of the Plan.

8. Due to the high number of claims and the verification, reconciliation and finalisation required in regard to each claim, including the resolution of any disputes and the determination of the concurrent portion of Secured Creditors in respect of any residual Claim remaining after realisation of their security, the BRPs are not in a position to pay a concurrent dividend at this stage.

9. Subject to the finalisation of all claims as aforesaid, the BRPs anticipate that a concurrent dividend will be paid in the second half of 2021.

Conclusion

10. The BRPs will continue implementing the Plan in accordance with their statutory obligations.

EDGARS | JET

Chief Executive Officer: G M Pattison
Directors: G M Pattison | A R Bisogno
Group Secretary: C M Vikisi

Edcon Limited Registration No. 2007/003525/06 Credit Provider Number: NCRCP82

11. All relevant notices in respect of the business rescue proceedings of Edcon Limited can be found on www.matusonassociates.co.za/edcon.
12. Please direct any queries to creditors@edconbr.co.za.

Yours faithfully

The BRPs of Edcon

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