

29 July 2020

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 **First Update Report** is being delivered by the business rescue practitioners (“BRPs”) in terms of section 132(3) of the Act.
3. Reference is made in this First Update Report to the adopted business rescue plan (“Plan”). It is therefore important that this First Update Report be read in conjunction with the Plan.

Business Rescue Proceedings

4. Background
 - 4.1. On 29 April 2020, Edcon was placed in business rescue pursuant to the filing of a resolution in terms of section 129 of the Act.
 - 4.2. On 4 May 2020, Piers Marsden and Lance Schapiro were appointed as the joint BRPs.

- 4.3. On 8 June 2020, the BRPs published the Plan. The proposal in terms of the business rescue plan is the Sales Process (as defined therein).
 - 4.4. On 22 June 2020, the Plan was adopted.
 - 4.5. Since the commencement of Edcon's business rescue proceedings, the BRPs have convened the statutory first meetings and several committee meetings.
5. Update on the Accelerated Sales Process
- 5.1. Affected persons are referred to paragraph 20.4 of the Plan for further details relating to the Accelerated Sales Process.
 - 5.2. The BRPs anticipate that the transaction documents in respect of the accelerated sales process will be completed and signed by the end of August 2020, subject to various conditions precedent and regulatory approvals, including the Competition Commission.
6. Agreement for further remuneration of the BRPs
- 6.1. The meeting of the holders of creditors' voting interests to vote on the approval of the agreement for further remuneration of the BRPs in terms of section 143(3)(a) of the Act ("Agreement") was held on 22 June 2020. Voting was conducted by way of proxy and **74%** of creditors voted in favour of the remuneration agreement.
 - 6.2. The meeting of the holders of the voting rights attached to any shares of the Company in terms of section 143(3)(b) of the Companies Act was held on 22 July 2020. The sole shareholder voted in favour of the approval of the Agreement.
 - 6.3. In terms of section 143(3) of the Act, the Agreement is final and binding on the Company and the BRPs are entitled to charge in accordance with the Agreement.
7. Proof of Claims
- 7.1. Creditors who have yet to submit their claims are encouraged to do so **before 31 August 2020**. Claims can be submitted via the online form, which can be found on matusonassociates.co.za/edcon. A claim form has been provided ([Manual Claim Form](#)) for those unable to complete the online form.
 - 7.2. Edcon, together with the BRPs, are reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.
 - 7.3. To the extent that any claims are disputed, paragraph 39 of the Plan makes provision for a dispute resolution mechanism.

8. Updated list of creditors

The BRPs will publish an updated list of creditors on matusonassociates.co.za/edcon during August 2020.

Conclusion

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

10. All relevant notices in respect of the business rescue proceedings of Edcon Limited can be found on www.matusonassociates.co.za/edcon.

11. Please direct any queries to creditors@edconbr.co.za.

Yours faithfully

The business rescue practitioners of Edcon Limited

EDGARS | JET

Chief Executive Officer: G M Pattison

Directors: G M Pattison | M E Mthunzi | G P H Penny | A R Bisogno | R Gasant | D Motsepe | N B Palmer

Group Secretary: C M Vikisi

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

**Companies and Intellectual Property Commission
Republic of South Africa**

Form CoR 125.1

About this Form

- This form is issued in terms of section 132 and 141 of the companies Act, 2008, and Regulation 125 of the Companies Regulations, 2011.
- This Notice and the attached report must be published to every affected person, and to-
 - a) The Commission, if the business rescue proceedings were started by the company; or
 - b) The court, if the proceedings were ordered by the court.
- A report and Notice must be issued at the end of the first three months of the business rescue proceedings, and at regular monthly intervals after that

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

Postal Address

PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za

Business Rescue Status Report

Date: 29 July 2020

Customer Code: _____

Concerning

(Name and Registration Number of Company)

Name: Edcon Limited

Registration No: 2007/003525/06

The above named company commenced business rescue proceedings on 29 April 2020.

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioner provides the attached report in terms of section 132 (3).

Name and Title of person signing on behalf of the Practitioner:

Piers Marsden and Lance Schapiro - Business Rescue Practitioners

Authorised Signature:

