
January 2022

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. Sale of Remaining Assets

The BRPs are still in the process of selling certain used IT equipment comprising *inter alia* servers and switches. Should any affected person be, or know of someone who might be, interested in any of the available IT equipment, please contact the BRPs at info@edconbr.co.za.

5. Landlords

5.1. PCF Claims

The BRPs have commenced with the payment of Landlord PCF Claims in accordance with the amounts that have been accepted by the BRPs.

5.2. Pre-Commencement Claims

The BRPs have commenced with the notification of the status of Landlords' Pre-Commencement Claims.

6. Proof of Claims

6.1. The Pre-Commencement Claims submission period has closed.

6.2. Please direct any queries relating to Claims to creditors@edconbr.co.za.

6.3. Due to the late submission of Claims by certain Creditors and/or delayed responses by Creditors in the Claim reconciliation process, Edcon, together with the BRPs, are still in the process of finalising the reconciliation of the Claims received and will continue to communicate with Creditors, individually, regarding the status of their Claims.

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

Dividends

7. The BRPs are pleased to advise that they made an interim Distribution to those Concurrent Creditors:

7.1. whose claims were not subject to any dispute;

7.2. whose claims had been proved and accepted in writing by the BRPs; and

7.3. who completed the online bank form available at www.matusonassociates.co.za/edcon1/.

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

8. For the avoidance of any doubt:
- 8.1. the interim Distribution was made on the amount accepted in writing by the BRPs and not on the original amount reflected on the claim form submitted;
 - 8.2. Concurrent Creditors who lodged Claims which are still in the process of being proved and/or reconciled did not receive the interim Distribution, however, such Concurrent Creditors will receive the interim Distribution upon their Claim being proved and accepted in writing by the BRPs; and
 - 8.3. Creditors who have disputed Claims did not receive any interim Distribution and will not receive any interim Distribution until such time as: (i) the dispute has been resolved; and (ii) the dispute has been resolved in favour of such Creditor.
9. Creditors are advised that the interim Distribution was not the final Distribution and that further Distributions will be made once the BRPs have *inter alia* reconciled and finalised all Claims, including disputed Claims.
10. **Those Concurrent Creditors who complied with paragraphs 7.1 and 7.2, but did not comply with paragraph 7.3 (i.e. did not complete the online bank form), are urged to complete the online bank form available at www.matusonassociates.co.za/edcon1/ as soon as possible. This will enable the BRPs to make the interim Distribution to such complying Concurrent Creditors.**
11. **Please note that Secured Creditors and Landlords do not need to complete the online bank form.**
12. For the benefit of Creditors, the BRPs are preparing a document in response to frequently asked questions (“**FAQ**”) relating to the interim Distribution and the payment of a dividend to Concurrent Creditors. The FAQ document will be made available on www.matusonassociates.co.za/edcon in due course.

Conclusion

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

Yours faithfully

The BRPs