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**December 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 **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 Update Report to the adopted business rescue plan (“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. Second Look Book (“SLB”)
  - 4.1. Affected persons are referred to the previous update report which provided the details relating to the sale transactions in respect of the SLB.
  - 4.2. The various sale transactions in respect of the sale of Edcon’s SLB have become unconditional.
  - 4.3. It is anticipated that the conditions precedent in respect of the sale of Edgars Stores Namibia Limited’s SLB to RCS Cards Proprietary Limited and RCS Investment Holdings Namibia Proprietary Limited will be fulfilled by 31 January 2021.
  - 4.4. In terms of paragraph 22 of the Plan, the Second Look Book Sales Proceeds (as defined therein) will be allocated to the Intercreditor Secured Creditors.

### 5. Edcon Group and Related Transactions

#### 5.1. Edcon’s Subsidiaries in Africa (“Rest of Africa Subsidiaries”)

- 5.1.1. The sale agreements in respect of parts of the businesses of the below Rest of Africa Subsidiaries became unconditional during December 2020 as follows:

Entity	Effective Date	
	Edgars	Jet
Jet Supermarkets Botswana Pty Ltd	22 December 2020	11 December 2020
Edgars Stores Lesotho Pty Ltd	24 December 2020	3 January 2021
Edgars Stores Swaziland Pty Ltd	11 December 2020	18 December 2020

- 5.1.2. It is anticipated that the sale agreements in respect of the Edgars and Jet businesses of Edgars Stores Namibia Limited will become unconditional in January 2021.
- 5.1.3. The BRPs will update affected persons with any further developments in this regard in subsequent update reports.

### 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.a/edcon](http://www.matusonassociates.co.a/edcon).
- 6.3. **Please ensure that your vendor number (where available) is clearly highlighted, as this will assist the team with the reconciliation process.**

#### **EDGARS | JET**

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

- 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.

### **Conclusion**

7. The BRPs will continue implementing the Plan in accordance with their statutory obligations.
8. All relevant notices in respect of the business rescue proceedings of Edcon Limited can be found on [www.matusonassociates.co.za/edcon](http://www.matusonassociates.co.za/edcon).
9. Please direct any queries to [creditors@edconbr.co.za](mailto:creditors@edconbr.co.za).

Yours faithfully

The BRPs of Edcon

**EDGARS | JET**

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