

July 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 commenced with making partial payments in respect of Landlords' PCF Claims and are endeavouring to complete the reconciliation and payment process relating to Landlords' PCF Claims as soon as possible.

6. Proof of Claims

6.1. In terms of the Plan, the Final Claims Date for the submission of Pre-Commencement Claims was 90 days after the Adoption Date. In accordance with the provisions of paragraph 31 of the Plan, the BRPs have exercised their discretion to allow Creditors to lodge Pre-Commencement Claims after the Final Claims Date, and have made repeated requests in prior update reports for Creditors to lodge outstanding Pre-Commencement Claims.

6.2. Despite the aforesaid, there remains a large number of Pre-Commencement Creditors who have yet to submit their Pre-Commencement Claims.

6.3. **Pre-Commencement Creditors are hereby notified that any outstanding Pre-Commencement Claims must be lodged with the BRPs, as provided for below, by no later than 31 August 2021. In this regard, the BRPs draw the attention of Pre-Commencement Creditors to the provisions of paragraph 31.3.3. of the Plan which provides that Creditors who have lodged Claims after the Final Claims Date, and whose Claims have been accepted by the BRPs in the exercise of the BRPs' aforesaid discretion, forfeit their right to participate in Distributions that have been made prior to the lodgement of their Claims.**

6.4. A claim form, online or manual, is available on www.matusonassociates.co.za/edcon. Please ensure that your vendor number (where available) is clearly highlighted, as this will assist the team with the reconciliation process.

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

6.6. Edcon, together with the BRPs, are reconciling the Claims received to date and will communicate with Creditors, individually, regarding the status of their Claims.

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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

Dividends

7. Subject to the reconciliation and finalisation of Claims, including disputed Claims in accordance with Edcon's records, 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 lodged by Creditors, the BRPs are not in a position to pay a concurrent dividend at this stage.
9. The BRPs still 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.
11. All relevant notices in respect of the business rescue proceedings of Edcon can be found on www.matusonassociates.co.za/edcon.
12. Please direct any queries to creditors@edconbr.co.za.

Yours faithfully

The BRPs

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