

21 November 2024

Attention: **All Affected Persons of Culross Property Co (Proprietary) Limited**

Dear Sir/Madam

NOTICE TO THE AFFECTED PERSONS OF THE COMMENCEMENT OF BUSINESS RESCUE PROCEEDINGS IN RESPECT OF CULROSS PROPERTY CO (PROPRIETARY) LIMITED (IN BUSINESS RESCUE) ("THE COMPANY") AND OF THE APPOINTMENT OF BUSINESS RESCUE PRACTITIONERS TO SUPERVISE THE COMPANY, IN TERMS OF SECTIONS 129(3)(a) and 129(4)(b) OF THE COMPANIES ACT 71 OF 2008

1. You are hereby notified that the board of the Company adopted a resolution on 14 November 2024 in accordance with section 129(1) of the Companies Act 71 of 2008 (as amended) ("Companies Act") in terms of which the Company voluntarily commenced business rescue proceedings, and to appoint Lance Schapiro as the business rescue practitioner.
2. The effective date of the Company's business rescue proceedings and the appointment of the business rescue practitioner is accordingly **14 November 2024**.
3. In accordance with the requirements of section 129(3)(a) of the Companies Act, please find herewith:
 - 3.1. The notice to commence business rescue proceedings (form CoR 123.1), filed with the Commission;
 - 3.2. The resolution passed by the board of the Company; and
 - 3.3. A sworn statement of the facts relevant to the grounds on which the board resolution was founded.
4. Further, in accordance with requirements of section 129(4)(b) of the Companies Act, the notice of appointment of the business rescue practitioner (form CoR 123.2), is also attached herewith.
5. Please note that the aforesaid documents, as well as all other notices relevant to the business rescue proceedings of the Company, are also available at www.matusonassociates.co.za/culross
6. In terms of section 147(1) of the Companies Act, the business rescue practitioner must convene the first meeting of creditors within 10 business days of appointment. Further details about these meetings will be provided in due course.
7. We will continue to keep you apprised of the developments with this matter. All queries, however, can be directed to culross@matusonassociates.co.za and the business rescue practitioner will address same in due course.

Regards



Lance Schapiro
Business Rescue Practitioner



COMPANIES AND INTELLECTUAL PROPERTY COMMISSION REPUBLIC OF SOUTH AFRICA

Date: **18/11/2024**
Customer name: **LANCE SCHAPIRO**
Customer code: **LANC91**
E-mail address: **LANCESCHAPIRO@GMAIL.COM**
Rereference Number: **60003012126**

The Commission has received a form CoR123.1 Notice to Commence Business Rescue Proceedings in terms of section 129 or court order commencing business rescue proceedings in terms of section 131 of the Companies Act, 71 of 2008, dated 16/11/2024 for:

Company / Close Corporation Name: **CULROSS PROPERTY CO (PTY) LTD**
Registration Number: **2019/297452/07**
Company / Close Corporation Status: **BUSINESS RESCUE**

The application was duly registered on 16/11/2024 and the effective date of commencement of business rescue proceedings is recorded as 14/11/2024.

Yours sincerely,

Commissioner: CIPC

The Companies and Intellectual Property Commission of South Africa
P.O Box 429, Pretoria, 0001, Republic of South Africa
Docex 256, Pretoria
Contact centre 086 100 2472
www.cipc.co.za



2019/297452/07



60003012126

CULROSS PROPERTY CO PROPRIETARY LIMITED
REGISTRATION NUMBER: 2019/297452/07
("the Company")

NOTICE OF MEETING OF THE BOARD DIRECTORS

Notice is hereby given that a meeting of the Board of Directors of the Company will be held on **14 November 2024**.

Agenda:

1. Meeting opening.
2. Apologies.
3. Read the notice convening the Meeting of Board of Directors.
4. To adopt a resolution on the following terms:
 - 4.1. As the Company is unable to pay certain of its debts and as it appears to be reasonably unlikely that the Company will be able to pay all of its debts as they become due and payable within the immediate ensuing six months, the Company is therefore financially distressed within the meaning of Section 129(1)(a) of the Companies Act, 71 of 2008 ("the Act").
 - 4.2. As there appears to be a reasonable prospect of rescuing the Company in terms of Section 129(1) of the Act and/or if not possible for the Company to so continue in existence, there exists a reasonable prospect that Business Rescue Proceedings will result in a better return for the Company's creditors or shareholders than would result from the immediate liquidation of the Company, the Company should begin voluntary business rescue proceedings in terms of Section 129 of the Act.
 - 4.3. MARTIN EPSTEIN in his capacity as director of the Company, be and is hereby authorised to appoint one or more Business Rescue, in terms of Section 129(3)(b) of the Act and is further authorised to sign any such documents required and which are ancillary to the Business Rescue Proceedings, to lodge the application for voluntary Business Rescue Proceedings in terms of Section 129 of the Act, and to complete and lodge any documents required to give effect thereto.

SIGNED AT CAPE TOWN ON THIS 14th DAY OF NOVEMBER 2024.


MARTIN EPSTEIN
DIRECTOR

RESOLUTION PASSED AT A MEETING OF THE BOARD OF DIRECTORS OF

CULROSS PROPERTY CO PROPRIETARY LIMITED

REGISTRATION NUMBER: 2019/297452/07

("the Company")

IT BEING RESOLVED ON 14 NOVEMBER 2024 THAT:

1. As the Company is unable to pay certain of its debts and as it appears to be reasonably unlikely that the Company will be able to pay all of its debts as they become due and payable within the immediate ensuing six months, the Company is therefore financially distressed within the meaning of Section 129(1)(a) of the Companies Act, 71 of 2008 ("the Act").
2. As there appears to be a reasonable prospect of rescuing the Company in terms of Section 129(1) of the Act and/or if not possible for the Company to so continue in existence, there exists a reasonable prospect that Business Rescue Proceedings will result in a better return for the Company's creditors or shareholders than would result from the immediate liquidation of the Company, the Company should begin voluntary business rescue proceedings in terms of Section 129 of the Act.
3. **MARTIN EPSTEIN** in his capacity as director of the Company, be and is hereby authorised to appoint one or more Business Rescue Practitioners, in terms of Section 129(3)(b) of the Act and is further authorised to sign any such documents required and which are ancillary to the Business Rescue Proceedings, to lodge the application for voluntary Business Rescue Proceedings in terms of Section 129 of the Act, and to complete and lodge any documents required to give effect thereto.

Certified a true copy of the extracts of the minutes of the meeting.

SIGNED AT CAPE TOWN ON THIS 14th DAY OF NOVEMBER 2024


MARTIN EPSTEIN
DIRECTOR

**CULROSS PROPERTY CO PROPRIETARY LIMITED
REGISTRATION NUMBER: 2019/297452/07
("the Company")**

MINUTES OF MEETING OF THE BOARD DIRECTORS

HELD ON 14 NOVEMBER 2024

Present: MARTIN EPSTEIN (Director)

The Meeting of Board of Directors was duly opened with the required quorum being present.

1. The notice convening the Meeting of Board of Directors ("the notice") was read and deemed properly delivered and received.
2. The Meeting of Board of Directors adopted a resolution as per paragraph 4 of the notice.

Date: 14 November 2024



MARTIN EPSTEIN
DIRECTOR

SWORN STATEMENT IN TERMS OF SECTION 129(3)(a) OF THE COMPANIES ACT, 71 OF 2008 ("THE ACT") IN RELATION TO THE SUPERVISION AND BUSINESS RESCUE PROCEEDINGS OF:

CULROSS PROPERTY CO PROPRIETARY LIMITED
REGISTRATION NUMBER: 2019/297452/07

I, the undersigned

MARTIN EPSTEIN
ID: 700422 5250 088

1. In my capacity as a director CULROSS PROPERTY CO PROPRIETARY LIMITED REGISTRATION NUMBER: 2019/297452/07 ("the Company") do hereby make oath and say that:
 - 1.1. I am duly authorized by Resolution to represent the Company in this regard and to sign all required documents. A copy of this Resolution is attached hereto as Annexure "A".
 - 1.2. On 14 November 2024, the director resolved to place the Company into business rescue on the basis that the director has reasonable grounds to believe that the Company is unable to pay certain of its debts in the normal course of business.
 - 1.2.1. The Company is financially distressed, for the following reasons:
 - 1.2.1.1. The financial distress of the Company is rooted in complex financial and legal challenges, primarily stemming from an unresolved dispute over a Vendor Loan Agreement (the "Agreement"). The Company faces significant debt obligations under this agreement, which remains legally contested, thereby delaying essential revenue-generating actions, and escalating legal costs.
 - 1.2.1.2. Additionally, the financial pressure has intensified with a recent demand for full repayment, positioning the Company at imminent risk of liquidation should the demand not be addressed. This ongoing litigation and creditor pressure have severely impacted the Company's financial stability, justifying the need for voluntary business rescue proceedings to protect the Company's asset and operations.
 - 1.2.1.3. The Company is currently experiencing financial difficulties, hindering its ability to meet its ongoing expenses and obligations.
2. The Company's background:
 - 2.1. The Company was established to hold a key asset being a large property located in Bryanston, Johannesburg. The Company's primary focus is the ownership and management of this significant property for commercial use.



3. Factors Leading to Financial Distress of the Company:

3.1. The financial distress faced by the Company was caused by a series of interconnected issues. These combined factors have placed the Company in a financially distressed position, necessitating immediate intervention through business rescue to preserve its asset, navigate legal challenges, and mitigate creditor demands.

3.1.1. One of the primary reasons for the Company's financial distress is that the Company entered into the Agreement to finance the Campus property, with funding comprising two major facilities totalling R1,315,683,014.97. The Company has received a demand for immediate repayment of approximately R1,315,683,014.97. This debt obligation has placed an unsustainable financial burden on the Company.

3.1.2. Legal proceedings were initiated in October 2022, challenging the validity of the sale and purchase of rental enterprise entered into on 11 October 2019, and including challenging the validity of the Agreement, seeking the return of The Campus. This dispute has stalled potential transactions, as the pending litigation deters potential buyers and refinancing options, effectively immobilizing the Company's primary asset and curtailing revenue opportunities.

3.1.3. The Company's major creditor issued a letter of demand on 5 November 2024, requiring repayment of the outstanding balance by 8 November 2024. The creditor's stance in both enforcing the repayment demand and contesting the Agreement creates a scenario where, if not addressed through business rescue, the creditor may pursue liquidation proceedings.

4. Given the severity of the Company's financial situation, the Board believes that placing the Company into Business Rescue is the most prudent course of action.

4.1. Entering Business Rescue will enable a structured turnaround plan to be developed and implemented, allowing the Company to address its debt obligations, manage ongoing litigation, and stabilize its operations.

4.2. There is a reasonable prospect that Business Rescue Proceedings will provide a pathway to resolve the Company's financial distress in terms of Section 129(1) of the Companies Act. Should it prove unfeasible for the Company to continue in existence, the Business Rescue process offers a viable means to achieve a more favourable return for creditors or shareholders than immediate liquidation, preserving asset value and potentially resolving ongoing disputes over the Agreement.

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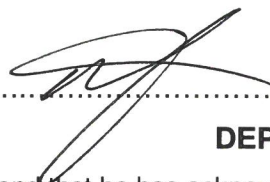
5. At the time of adopting the Resolution, no liquidation proceedings had been initiated by or against the Company.
6. The Company is currently involved in litigation where an Application has been launched which seeks an order declaring the sale of the rental enterprise void. This includes a specific prayer requesting that the Agreement be declared void.
7. The Company shall appoint Lance Shapiro (ID: 84041350270804) as its nominated Business Rescue practitioner.
8. I submit that a preliminary plan to address the financial distress of the Company will involve some or all of the following activities:
 - 8.1. The appointment of an experienced business rescue practitioner. A qualified practitioner will oversee the restructuring process, ensuring compliance with the Companies Act and implementing best practices in turnaround strategies.
 - 8.2. The moratorium provided for under s133 of the Companies Act, 71 of 2008 will provide the Company with temporary relief from creditor actions, giving it the necessary space to stabilize and work on restructuring plans.
 - 8.3. The Company will explore options for Post-Commencement Financing (PCF), enabling the injection of fresh capital to facilitate operational recovery and immediate liquidity needs.
 - 8.4. Formulation of a comprehensive Business Rescue Plan. A strategic plan will be developed to outline actionable steps for financial recovery, addressing both short-term and long-term objectives.
 - 8.5. The Company will assess operational efficiencies, identify cost-saving measures, and eliminate redundant expenses to streamline business functions and reduce financial strain.
 - 8.6. The Company will work with creditors to restructure debt payments, potentially deferring certain payments or negotiating reduced amounts to alleviate immediate cash flow pressures.
 - 8.7. Ongoing communication will be maintained with all stakeholders, including creditors, employees, and shareholders, to ensure transparency and foster support for the business rescue process.
 - 8.8. The Company will investigate potential revenue streams or service adjustments to increase profitability and drive growth during and beyond the business rescue period.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a combination of initials and a surname.

- 8.9. The Company will evaluate opportunities to refinance existing debt or adjust its capital structure, potentially reducing the cost of debt and improving its financial position.
- 8.10. The Company may seek strategic partnerships or alliances that provide complementary capabilities, resources, or financial support to strengthen its position.
- 8.11. The Company will develop contingency measures to address potential setbacks, ensuring that the business rescue plan remains adaptable to changing circumstances.

9. I further submit that:

- 9.1. The Company requires to be placed in business rescue to enable it to be cured from its current inability to pay its debts.
- 9.2. The Company may be in a financial position to pay its debts in due course.
- 9.3. The Company should be placed under business rescue proceedings for financial reasons as it is just and equitable to do so and as there is a reasonable prospect that the Company will be rescued.
- 9.4. The moratorium on legal proceedings will be to the advantage of the Company and the affected persons.
- 9.5. The prospects of rescue are not merely an arguable possibility but are strong and premised on proper and reasonable grounds.



DEPONENT

I certify that the above signature is the true signature of the deponent and that he has acknowledged that he knows and understands the contents of this affidavit which affidavit was signed and sworn to before me in my presence at on this day of 14 NOVEMBER 2024 in accordance with Government Notice No R1258 dated 21 July 1972, as amended by Government Notice No. R1648 dated 19 August 1977, as further amended by Government Notice No. R1428 dated 11 July 1980, and by Government Notice No. R774 of 23 April 1982.



COMMISSIONER OF OATHS

COMMISSIONER OF OATHS (RSA)
K. J. Parker CA(SA)
20025144 Member No.
5th Floor (Foyer A) Hill House,
43 Somerset Road, Green Point,
Cape Town, 8005



COMPANIES AND INTELLECTUAL PROPERTY COMMISSION REPUBLIC OF SOUTH AFRICA

Date of Issue: **18/11/2024**
Our Reference: **60003032161**
Customer Code: **LANC91**
Email Address: **LANCESCHAPIRO@GMAIL.COM**

This hereby confirms that your notice of application dated 18/11/2024 for business rescue practitioner(s) was successful.

Company Number: **2019/297452/07**
Company Name: **CULROSS PROPERTY CO (PTY) LTD**
Company Status: **BUSINESS RESCUE**

Business Rescue Practitioner(s)

Name	Classification	Action	Date
Lance Schapiro	Senior Practitioner	Appoint	14/11/2024

Yours truly

Commissioner: CIPC

