

MEMORANDUM TO ALL AFFECTED PERSONS

30 November 2015

Dear Sir/Madam

PLATINUM GROUP

JENNI BUTTON (PTY) LTD: REGISTRATION NUMBER 1997/009010/07
RAPITRADE 6 (PTY) LTD: REGISTRATION NUMBER 2002/011253/07
RAPITRADE 7 (PTY) LTD: REGISTRATION NUMBER 2002/011160/07
RAPITRADE 9 (PTY) LTD: REGISTRATION NUMBER 2002/011294/07
RAPITRADE 26 (PTY) LTD: REGISTRATION NUMBER 2002/013216/07
TRESSO TRADING 102 (PTY) LTD: REGISTRATION NUMBER
2000/015521/07

1. We refer to the above matter and address this to you in your capacity as an affected person (ie. an employee, creditor or shareholder) of any or all of the above entities.
2. Business rescue proceedings commenced on 25 August 2015 when a resolution placing the abovementioned entities under business rescue was adopted and filed with CIPC.
3. The first meeting of creditors was held on 8 September 2015.
4. At the first meeting of creditors we proposed that a business rescue plan be published by 31 October 2015.
5. The publication of the business rescue plan in the abovementioned entities depended *inter alia* on the business rescue practitioners, management and shareholders, engaging with and arriving at an arrangement/agreement with the various landlords for the premises where the abovementioned entities previously traded.
6. Despite the best endeavours of the business rescue practitioners, management and shareholders, various ongoing attempts to conclude arrangements under business rescue with certain landlords were thwarted and some leasehold entities have as a result now been placed in liquidation.
7. Discussions are currently still underway with landlords for the key Gateway and Cavendish premises, which the business rescue practitioners, management and shareholders are hopeful will be concluded positively in the very near future.
8. Parallel discussions are also underway with key financiers to finalise funding for capitalisation of operations to allow adequate stock and trade.
9. The business rescue practitioners, management and shareholders are hopeful these will also be positively finalised in the very near future.
10. The current lead financiers, Merchant Finance, continue to show support for operations and have reaffirmed their willingness to allow the introduction of fresh capital by releasing

key security, as also confirming their willingness to convert significant amounts of debt to equity, in support of the recovery process.

11. The business rescue practitioners, management and shareholders are accordingly similarly hopeful these initiatives will allow adequate refinancing of operations in the very near future.
12. The business rescue practitioners therefore hope to report back with positive results for the resuscitation, recovery and rebuilding of Gateway and Cavendish operations in the very near future.
13. Until that time, for the sake of good order, we advise that the ranking of claims in the business rescue process is as follows :
 - 13.1. Firstly, the remuneration of the business rescue practitioners. For the avoidance of all doubt we wish to record that the first ranked business rescue practitioners have to date received zero remuneration.
 - 13.2. Secondly, payments due to employees. For the sake of good order we place on record that the paltry results in the few stores remaining after the above closures has, in the last 30 days, now become woefully inadequate to cover even basic expenses and/or first ranked business rescue payments - far less second ranked employee payments.
14. The business rescue practitioners at all times understood, in the event an adequate business rescue plan could be developed for the leasehold and trading entities, that the trading entities would conceivably be resuscitated, rejuvenated and rebuilt.
15. This was always predicated upon adequate arrangements being made for the conclusion of leases and funding of operations.
16. Under the current circumstances, where the business rescue practitioners, management and shareholders do not currently have access to any funding whatsoever, we inform you that it serves no purpose to continue communicating with the business rescue practitioners on the basis of querying where payments will be coming from and as to whether claims that you may have against one or any or all of the abovementioned entities will be met.
17. The business rescue practitioners, management and shareholders do not, until such time as the above process has yielded any positive result, currently have access to any funding whatsoever and therefore request that you kindly refrain from communicating with the business rescue practitioners on the issue of claims until such time as the foregoing process has drawn to completion, hopefully in the very near future.

JF KLOPPER & J DU TOIT
BUSINESS RESCUE PRACTITIONERS

(Sent electronically and therefore not signed)