



**SOUTHERN AFRICA TYRE DISTRIBUTORS
(PTY) LTD
REGISTRATION NUMBER: 2014/174250/07
STATUS REPORT BY THE RECEIVER FOR
CREDITORS J F KLOPPER**

J F Klopper
August 2021

1. Southern African Tyre Distributors (Pty) Ltd (“the company”) was placed under Business Rescue in terms of Section 129(1) of the Companies Act 2008 (“the Act”) on 26 September 2019.
2. The company complied with the requirements of Section 129(3)(a) and (b) of the Act.
3. I, Johannes Frederick Klopper, was licensed by the Commission in respect of the company and appointed as Business Rescue Practitioner (BRP) to the company on 26 September 2019 in terms of Section 138 of the Act.
4. The major creditors afforded an extension until 21 February 2020 to publish the business rescue plan (“BR Plan”). The BR Plan was however (by agreement) published on Monday 24 February 2020 and creditors adopted the BR Plan on 2 March 2020.
5. As you will be aware, since the adoption of the BR Plan by the Company’s creditors on 2 March 2020 (“the March Plan”), an unprecedented sequence of events occurred worldwide and in South Africa which resulted in the conditions to the March Plan not being fulfilled. The March Plan was accordingly incapable of being implemented.
6. An amended BR Plan was adopted on 28 July 2020 and a Notice of Substantial Implementation was filed with CIPC on 24 August 2020. In terms of the adopted BR Plan I was appointed as the Receiver for Creditors and am required to provide quarterly reports. This communication serves as a quarterly status update on the progress of implementation of the BR Plan.
7. The BR Plan provided that, among other things, a loan of R5,3 million would be made by Amatyre (Pty) Ltd to SA Tyre, to pay DG Capital (Pty) Ltd in settlement of their secured debt in order for them to release the notarial bond on remaining stock and cession of debtors held by them so that the company could exit business rescue proceedings and recommence trading. These funds were made available to the company and paid over to DG Capital on 13 August 2020, whereafter I, in my capacity as Business Rescue Practitioner, filed a Notice of Substantial Implementation of the BR Plan on 24 August 2020, and business rescue proceedings ended.
8. The BR Plan further provided that -
 - 8.1. guarantees would be provided to local tyre manufacturers to secure supply credit; and
 - 8.2. Merchant Factors would provide a factoring facility to discount the weekly sales for direct payment to manufacturers.
9. The above guarantees would only be provided once the company’s business rescue proceedings ended.
10. The documentation process to complete both facilities was a four week process, and both facilities were accordingly operational by mid-September.
11. Orders were immediately placed with local tyre manufactures and delivery of product to the company’s warehouses commenced during October. This meant that there was a two and a half month delay from the Creditors’ Meeting when the BR Plan was adopted until the company actually found itself in a position to start trading, which delay was not accounted for in the cashflow projections in the BR Plan.

12. The challenges experienced by the company are set out in the attached letter dated 24 August 2021 addressed to the BRP and the contents of which are self-explanatory and which explains why the company was unable to make the payment as provided for in terms of the BR Plan during August.
13. The BRP will engage with the company with a view to developing a further proposal to be submitted to creditors in due course.

Yours faithfully,



J F KLOPPER - RECEIVER FOR CREDITORS

Date: 31 AUGUST 2021