

AGRI PROTEIN TECHNOLOGIES (PTY) LTD (IN BUSINESS RESCUE) REGISTRATION NUMBER: 2010/011495/07

BUSINESS RESCUE STATUS REPORT IN TERMS OF SECTIONS 132 AND 141 OF THE COMPANIES ACT, 71 OF 2008 READ WITH REGULATION 125 OF THE COMPANIES ACT FILED BY THE BUSINESS RESCUE PRACTITIONERS J F KLOPPER & A N FLYNN

1. Important Information and Actions

•Board of directors passes resolution for Business Rescue on	01/02/2021
•Notice of resolution filed with CIPC on	02/02/2021
•Notice to affected parties on filing for Business Rescue on	04/02/2021
•Company nominated a BRP on	01/02/2021
•CIPC confirmed certification of BRP on	02/02/2021
•File notice to CIPC re BRP appointment on	01/02/2021
•Publish notice to affected parties of BRP appointment on	04/02/2021
•First meeting of creditors held on	11/02/2021
•First meeting of employees held on	11/02/2021
•Publish Business Plan on/ due by	11/03/2021
•Publish notice of meeting to consider proposed Business Rescue Plan on	11/03/2021
•Meeting to determine the future of the business held on	19/03/2021

CURRENT STATUS OF BUSINESS RESCUE PROCEEDINGS

- 1.1. Agri Protein Technologies (Pty) Limited (“the company”) was placed under Business Rescue in terms of Section 129(1) of the Companies Act 2008 (“the Act”) on 2 March 2021.
- 1.2. The company complied with the requirements of Section 129(3)(a) and (b) of the Act.
- 1.3. Johannes Frederick Klopper and Anthony Norman Flynn were licensed by the Commission in respect of the company and appointed as Business Rescue Practitioners (BRPs) to the company on 2 February 2021 in terms of Section 138 of the Act.

- 1.4. A First Meeting of Creditors was held in terms of Section 147 of the Act on 11 February 2021.
- 1.5. A business rescue plan was published on 11 March 2021 and at a meeting held on 19 March 2021 the published business rescue plan was adopted by the majority creditors.
- 1.6. The sale of business agreement entered into between the company and a third party pursuant to the adopted business rescue plan was subject to certain conditions precedent that had to be fulfilled by the 30 June 2021.
- 1.7. In our 31 July 2021 status report we reported that the condition precedent contained in paragraph 19.3.6.2 of the adopted business rescue was not fulfilled. TIA had to agree to the assignment of the TIA Loan before 30 June 2021 which they declined to do .
- 1.8. We also reported that we had entered into a sale of business agreement with the same Purchaser in terms of Proposal B of the adopted business rescue plan at a purchase consideration of R20 million.
- 1.9. The purchaser negotiated amended terms for the instalments after July 2021.
- 1.10. The purchaser approached the BRPs during November with proposals in relation to a further extension.
- 1.11. A written proposal was received from the purchaser on 1 December 2021, [post the due date of the 30 November 2021 status report.]
- 1.12. The BRPs formed the view that that the proposed extension should be granted and requested creditors to revert by **Monday 13 December 2021** failing which the proposal would be accepted. We discussed this proposal in depth with the company's major creditor
- 1.13. Pursuant to this engagement the company represented by the BRPs and the purchaser entered into a further addendum to the original sale agreement in terms which they agreed that the outstanding Purchase Consideration of R8 000 000 (eight million rand) would be paid by the Purchaser to the company as follows:
 - 1.13.1. in five equal monthly instalments of R800 000, payable by the Purchaser to the company on or before the final day of each consecutive month, starting in December 2021 until April 2022; and
 - 1.13.2. a final instalment of R4 000 000, payable by the Purchaser to the Seller on or before 31 May 2022.
- 1.14. In addition to the payments set out above the Purchaser shall pay the company interest at a rate of prime plus 0,25% on amounts that are overdue in terms of the sale of business agreement (as if the addendum had not been concluded) which interest shall be due on or before 30 June 2022.

1.15. Furthermore, in terms of the addendum, the Purchaser's license to occupy the Philippi Property was further extended until registration of transfer of the Philippi Property, subject to the following:

1.15.1. From January 2022, the Purchaser shall be required to pay occupational rental of R100 000 per month, excluding VAT, to the Seller until registration of transfer of the Philippi Property.

1.15.2. Occupational rental payable in respect of each month shall be payable on or before the final business day of that month.

2. [On 31 January 2022 the purchaser indicated that there may a delay in processing the payments due in terms of paragraphs 1.13.1 and 1.15.1 above. (See note below)]We have not received banking details from many creditors to enable us to pay an interim dividend despite a number of requests. Consequently, there will be a delay in the payment of interim dividends. We will, however, make an interim dividend payment to all creditors who have provided the necessary relevant details by 28th February.



J F KLOPPER & A N FLYNN

DATE: 31 January 2022

NOTE: The payments envisaged in paragraph 2 above were received subsequent to date of this report.