



**SECTION 151 AND 152 MEETING TO CONSIDER BUSINESS
RESCUE PLAN**

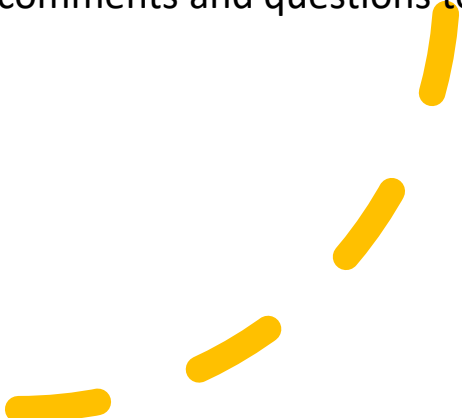
**CAPE HORIZON PROPRIETARY LIMITED (IN BUSINESS
RESCUE)**

03 APRIL 2023

Agenda


- 1. Opening and Welcome by the Joint Business Rescue Practitioners
- 2. Introduction
- 3. Proposed Business Rescue Plan
- 4. Comparison of Business Rescue vs Liquidation
- 5. Opinion of Business Rescue Practitioners
- 6. Address by Employee Representative
- 7. Invite Discussions
- 8. Voting
- 9. Conclusion

OPENING AND WELCOME

- This Meeting is being held electronically via MS Teams.
 - Creditors and other holders of voting interest are requested to sign the attendance register on the meeting chat - by writing their full name and the name of creditor that they are representing.
 - The Meeting will be chaired by the Business Rescue Practitioners (“BRPs”). We have deputised certain members of the business rescue team and other people to conduct certain portions of the Meeting.
 - Given the size of creditors and other stakeholders, questions can be raised after the presentation on the Meeting Chat on MS Teams.
 - We will attempt to deal with as many questions as possible, however, priority will be given to questions pertaining to the consideration of the Business Rescue Plan (“BR Plan”) and the adoption thereof.
 - The Meeting must proceed properly and efficiently with all comments and questions to be directed through us as the chairpersons.
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WELCOME

- Only one authorised representative of an affected person or creditor shall be entitled to vote on behalf of the affected person or creditor at the Meeting.
 - Each time an authorised representative of an affected person speaks at the Meeting, he/she will be requested to announce his/her full names and the name of the affected person or creditor he/she is representing before he/she speaks.
 - Voting will be by way of proxy in respect of the Business Rescue Plan. Completed and signed proxies can be emailed to Matimu@gcs-sa.co.za or WhatsApp to: **084 272 4617**.
 - Creditors are encouraged to submit their votes in a timely manner in order to limit the time collating and calculating votes.
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INTRODUCTION

- The BR Plan was published on 17 March 2023.
- The BR Plan was circulated by email to all known creditors and other affected persons. The BR Plan was also uploaded on the Company website under the business rescue tab.
- Section 151(1) of the Companies (the 'Act') provides that within 10 business days after publishing the business rescue plan, the BRP must convene and preside over a meeting of creditors to consider the BR Plan.
- Section 151(2) states that at least 5 business days before the meeting, the BRP must deliver a notice of the meeting to all affected persons setting out the following:
 - The date, time and place of meeting;
 - Agenda; and
 - Summary of rights affected persons to participate and vote at the meeting
- The Notice in terms of section 151 convening a meeting to consider the business rescue plan was issued simultaneously with the publication of the BR Plan on 17 March 2023.

INTRODUCTION

Consideration of Business Rescue Plan:

- Section 152(1) provides that at a meeting convened in terms of section 151, the BRP must:
 - Introduce the proposed BR Plan for consideration by the creditors;
 - Inform the meeting whether the BRP continues to believe that there is reasonable prospect of the Company being rescued;
 - Provide an opportunity for the employees representatives to address the meeting;
 - Invite discussion and entertain and conduct a vote, on any motion to:
 - (i) Amend the proposed plan, in any manner moved and seconded; or
 - (ii) Direct the BRP to adjourn the meeting in order to revise the plan for further consideration.
 - Call for a vote for preliminary approval of the proposed plan as amended, if applicable.
 - A plan will be approved on a preliminary basis if it is supported by holders of more than 75% of the creditors voting interest that voted; and the votes in support of the plan include at least 50% of the independent creditors voting interests.

INTRODUCTION

- Once the plan is adopted, it is binding on all the creditors irrespective of whether or not a creditor voted in favour of the adoption of the plan.
- If the plan is rejected, the BRP may seek a vote to prepare and publish a revised plan or apply to court to have the vote declared an inappropriate vote.
- If the BRP does not take any of the steps referred to above as contemplated in terms of section 153(1)(a), then a creditor present at the meeting may also take the abovementioned steps.
- If neither the BRP nor a creditor takes the contemplated steps, then the business rescue proceedings will automatically terminate and the BRP must promptly file the Notice of Termination of Business Rescue Proceedings with CIPC.



**PROPOSED
BUSINESS
RESCUE PLAN**

THE STRUCTURE OF THE PROPOSED BUSINESS RESCUE PLAN

- The proposed BR Plan is divided into the following sections:
 - Introduction, followed by interpretation and preliminary section.
 - Part A: Background (section 150(2)(a) of the Act).
 - Part B: Proposals (section 150(2)(b) of the Act).
 - Part C: Assumptions and Conditions (section 150(2)(c) of the Act).
 - BRP's certificate

THE PROPOSED BUSINESS RESCUE PLAN

- The purpose of Business Rescue as outlined in chapter 6 of the Act, read with section 7(k), is to provide for the efficient rescue and recovery of Financially Distressed companies, in a manner that balances the rights and interests of all relevant stakeholders.



THE PROPOSED BUSINESS RESCUE PLAN

- In terms of the Proposed Restructuring Plan, the Company (and each other Group company which owns a Group Property) will offer for sale all the Properties (and the remaining Group Properties by the applicable Group companies) pursuant to a Public Sales Process (which process will be set out in the SENS Announcement) with the objective of repaying the Secured Debt of the Company.
- The Group will offer for sale all the Properties pursuant to a Public Sales Process (“PSP”) (which process will be set out in a SENS Announcement) with the objective of repaying the Secured Debt in accordance with the payment waterfall, and after having regard to the Secured Properties which have not been disposed of, or been Taken Over by the Secured Creditors, at the end of the Public Sales Process Period (i.e., the Remaining Portfolio), determining the viability of a Balance Sheet Restructure.
- Secured Creditors will have an election to Take Over any qualifying Secured Properties against their Secured Debt in accordance with the provisions of the BR Plan.
- The Public Sales Process will endure for a period of 12 months unless extended in terms of the Business Rescue Plan (i.e., the Public Sales Process Period).

THE PROPOSED BUSINESS RESCUE PLAN

- If it is determined in that a Balance Sheet Restructure of the Company is viable, the BRPs shall implement the Balance Sheet Restructure in accordance with the provisions of the BR Plan, with the main objective of significantly reducing debt levels (if required) and bringing the Group out of Financial Distress.
- A Balance Sheet Restructure which has been determined to be viable in accordance with the provisions of the Business Rescue Plan may involve a reduction of the Company's debt by either or a combination of:
 - the issuance of new equity; (in the Company and/or in Rebasis Property Fund, where applicable)
 - a write-off of and/or restructure of debt by Creditors.

THE PROPOSED BUSINESS RESCUE PLAN

- Affected persons to take note that raising any significant equity for the Company, whether by rights issue, conversion of debt to equity or another form of share issuance is likely to require an issuance of in excess of 30% of both classes of the Company's shares in issue, for which approval of the Company's shareholders, by special resolution will be required in accordance with section 41(3) of the Companies Act.
- This will be in addition to any other regulatory approvals required for an equity issuance. In such circumstances, requisite prior approval from existing shareholders will need to be obtained.
- The Public Sales Process will result in an ongoing reduction of the Properties which will necessitate a restructure of the Company's head office including necessary staff retrenchments on a staggered basis.

THE PROPOSED BUSINESS RESCUE PLAN

- The advantages of proceeding with this BR Plan are, *inter alia*, as follows:
 - Pursuant to the PSP, the sale of the Properties will be undertaken in an orderly and managed process that will seek to optimise value of Properties.
 - In the event of a viable Balance Sheet Restructure which is successfully implemented in respect of the Remaining Portfolio, this may result in:
 - the continuation of the Company.



THE PROPOSED BUSINESS RESCUE PLAN

- Employees who are retrenched would be in a better position than in a liquidation. Employees would receive their full retrenchment entitlement in Business Rescue.
- The total costs will be less than the costs of liquidation.

THE PROPOSED BUSINESS RESCUE PLAN

- The Proposed Restructuring Plan is likely to result in the concurrent creditors of the Company receiving a projected dividend of 1.10c, compared to a probable dividend of 0c in a liquidation.
- In addition, this will result in the efficient rescue of the Company and will balance the interests of all stakeholders.
- A Wind Down process will ensue once certain events have occurred as set out in clause 19.7.1.
- The wind-down process entails the realisation of all the Company's assets by way of but not limited to, private treaty, auction.



COMPARISON OF BUSINESS RESCUE VS LIQUIDATION

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The table sets out a comparison of the outcomes that are likely to arise under the Business Rescue (in terms of the Proposed Rescue Plan) as compared to a liquidation (the liquidation calculation is based on the information provided in Deloitte's liquidation calculation).

	Liquidation	Business Rescue
Secured Creditors	N/A cents/Rand	N/Acents/rand
PCF	N/A	81 cents/Rand
Concurrent/unsecured creditors	0 (zero) cents/Rand	1.10 cents/Rand

COMPARISON OF BUSINESS RESCUE VS LIQUIDATION

	Business Rescue	Liquidation
Employees	Employees continue to be employed by the Company and receive salaries and benefits from date of commencement of business rescue to date of implementation of the plan or termination of business rescue proceedings or termination of employment	Employment contracts are suspended on liquidation. Employees receive capped severance in terms of the Insolvency Act. Maximum of R32 000.00 per employee
Realisation of Assets	Maximum value is preserved and realised	Assets are usually sold at distressed prices.
Timing	8 – 18 Months - payment made to creditors in terms of the payment waterfall as and when funds are available.	24 – 36 Months – Payment of dividend could take between 18 – 24 months after L&D account is confirmed by Master of High Court
Fees	Business rescue fees are significantly less and are based on set tariff or by agreement	Fees are based on fixed percentages of gross value of assets realised, irrespective of third party costs incurred



OPINION OF BUSINESS RESCUE PRACTITIONERS

REASONABLE PROSPECT

- The BRPs are of the view that, notwithstanding inevitable risks and challenges, that if the Business Rescue proceeds in terms of the proposed BR Plan, same will result in a better return for creditors than would result in the immediate liquidation of the Company.
- The BRPs are of the opinion that there is still a reasonable prospects of rescuing the Company by implementing proposed BR Plan.






INVITE DISCUSSIONS



INVITE DISCUSSIONS:

- **Invite discussion, entertain and conduct vote on any motion:**
 - Amend the published BR Plan in any manner moved and seconded by holders of creditors voting interest.
 - Direct the BRP to adjourn the meeting in order to revise the published BR Plan for further consideration.
 - **If no motion is put forward, we shall call for the preliminary approval of the plan.**
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VOTING

VOTING:

- If no motion is put forward, we shall call for the preliminary approval of the plan:
- Voting will be by way of a proxy form.



**INVITE
DISCUSSIONS:**

ANNOUNCEMENT OF RESULTS/VOTES





CONCLUSION & THANK YOU