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TongaatHulett®

- Delivered by Email To:**
- All known Affected Persons of Tongaat Hulett Limited (in business rescue)
 - Companies and Intellectual Property Commission
- Displayed:**
- Registered office and principal place of business of the Company
- Published:**
- On the website maintained by the Company and accessible to Affected Persons
 - Availability recorded in an announcement to shareholders on the Stock Exchange News Service (SENS), released after distribution.
-

December 2024

REPORT ON THE STATUS OF THE BUSINESS RESCUE PROCEEDINGS OF TONGAAT HULETT LIMITED (IN BUSINESS RESCUE) ("COMPANY" OR "THL")

1. GENERAL

- 1.1. Section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("**Companies Act**"), states that when the business rescue proceedings of a company have not concluded within 3 months of the date on which they commenced, a business rescue practitioner is required to -
- 1.1.1. prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
- 1.1.2. deliver the report and each update to each affected person and to the Companies and Intellectual Property Commission ("**CIPC**").
- 1.2. In compliance with the sections referred to in paragraph 1.1 above, we hereby provide you with the twenty-fourth report, being the December 2024 report, on the status of the Company's business rescue proceedings.

2. BUSINESS RESCUE UPDATES

As at 31 December 2024, the following matters have occurred and/or remain relevant since the distribution and publication of the Company's November 2024 business rescue status update report ("**November Report**"):

2.1. Implementation of the Adopted Amended Business Rescue Plan

2.1.1. The business rescue practitioners ("**BRPs**") continue to advance the necessary steps for purposes of implementing the Adopted and Amended Business Rescue Plan ("**the Plan**") for THL as approved and adopted by the requisite majority of creditors on Thursday 11 January 2024 in accordance with section 151 of the Companies Act.

2.1.2. The BRPs are continuing to implement the Adopted Plan, focusing on the alternative transaction (the "**Asset Transaction**") in accordance with the Plan, which contemplates the sale of the Company's business and assets as a going concern, as a group, to the Vision Parties ("**Vision**").

2.1.3. As a reminder, the Asset Transaction will entail the sale of *inter alia*:

2.1.3.1. the South African assets, including the South African sugar business and head office ("**SA Assets Transaction**"); and

2.1.3.2. the shares in and claims against each of the subsidiaries in Zimbabwe, Mozambique and Botswana.

2.1.4. Sale of the Company's South African Assets:

2.1.4.1. THL, Vision Sugar South Africa Proprietary Limited ("**Vision Sugar**") (a wholly owned subsidiary of Vision Investments 155 Proprietary Limited ("**Vision Investments**"), Vision Investments, the Vision Parties and the Vision Principals (collectively "**the Parties**") signed the Business Sale Agreement ("**Sale Agreement**") for the SA Assets Transaction on 14 December 2024. The purchase price payable by Vision will be settled, *inter alia*, by way of a set off of the purchase consideration for the SA assets against a portion of the Lender Group Claims (as

defined in the Adopted Plan). This agreement is subject to the fulfilment of a number of suspensive conditions.

2.1.4.2. The purchase price payable by Vision Sugar to THL in respect of the SA assets will be the fair market value determined by an appointed independent valuer (whose decision absent any manifest error, shall be final and binding on the Parties), plus an amount equal to the assumed liabilities.

2.1.4.3. The closing date of the SA Assets Transaction (being the effective date thereof), is the first business day of the calendar month following the month in which the last of the suspensive conditions of the Sale Agreement are fulfilled or waived, or such other date as agreed to in writing between the Parties.

2.1.5. Sale of Shares and Claims – Zimbabwe Transaction:

2.1.5.1. THL, Vision Investments, Ball Foundry Holdings Limited ("**Vision Nominee**"), the Vision Parties and the Vision Principals (collectively "**the Zimbabwe Parties**") signed the sale agreement for the Zimbabwean transaction on 21 December 2024, which agreement is subject to the fulfilment of a number of suspensive conditions ("**Zimbabwean Transaction**").

2.1.5.2. The transaction contemplates the sale by THL of all of its shares held constituting 100% of the issued share capital ("**Sale Shares**") and the claims for repayment of the shareholder loans ("**Claims**") in Triangle Sugar Corporation Limited ("**Triangle Sugar**"), to Vision Nominee (a nominee company of the Vision Parties which will be beneficially owned by the Vision Principals on the closing date of the transaction) (as contemplated and permitted in the Adopted Plan, including paragraph 6.1.7.1.). Triangle Sugar is the holding company of THL's operations in Zimbabwe.

2.1.5.3. The purchase consideration will be settled by way of, *inter alia*, a set off against a portion of the Lender Group Claims. The purchase price payable by Vision Nominee to THL in respect of the Sale Shares and Claims in Triangle Sugar will be the fair market value determined by an appointed independent valuer whose decision, absent any manifest error, shall be final and binding on the Zimbabwe Parties. The closing date of the Zimbabwean Transaction (being the effective date thereof) is the

first business day of the calendar month following the month in which the last of the suspensive conditions is fulfilled or waived, or such other date as agreed to in writing between the Zimbabwe Parties.

- 2.1.6. The remaining sale agreements for the sale of the Botswana and Mozambique entities are advancing and are expected to be signed in the near term.
- 2.1.7. Vision continues to cooperate fully with the BRPs and executive management of the Company to bring implementation of the Asset Transaction to a close as soon as possible. There is a core team focused on satisfying the conditions on which the Plan is contingent and ensuring the implementation of the underlying transaction.
- 2.1.8. Finally, the BRPs confirm that the Company's Post-Commencement Financing facility with the IDC has been extended until 29 August 2025.

2.2. Business Rescue Proceedings of other Tongaat Hulett Group Entities

- 2.2.1. The approved and adopted business rescue plan for Tongaat Hulett Developments Proprietary Limited ("**THD**") as approved and adopted by the relevant Affected Persons on Tuesday 30 May 2023 continues to be implemented.
- 2.2.2. The BRPs also continue to advance the preparatory steps for the implementation of the Adopted and Amended Business Rescue Plans of both Tongaat Hulett Sugar South Africa Proprietary Limited (in business rescue) ("**THSSA**") and Voermol Feeds Proprietary Limited (in business rescue) ("**Voermol**") as approved and adopted by the requisite majority of creditors on Wednesday 31 January 2024 in accordance with section 151 of the Companies Act.
- 2.2.3. Separate monthly status update reports are provided for THD, THSSA and Voermol, which reports are uploaded and made accessible to Affected Persons on the Company's website at: <http://www.tongaat.com>, under the 'Business Rescue' tab.

2.3. Litigation Matters

- 2.3.1. **Declarator Application:** The record in relation to the Appeal in the Supreme Court of Appeal with respect to the Company's SASA redistribution payments was filed at the end of November 2024. THL and the BRPs' Heads of Argument are due at the beginning of February 2025. The Notice of Appeal is available for download at <https://www.tongaat.com/sca-notice-of-appeal-26-august-2024/>
- 2.3.2. **Powertrans Application:** There are no updates in relation to this application. Further details relating to this application can be accessed at <https://www.tongaat.com/powertrans-notice-of-motion-and-founding-affidavit/>
- 2.3.3. **RGS Urgent Application:** The urgent application launched on 6 November 2024 ("**the application**") in the High Court of South Africa, KwaZulu Natal Local Division, Durban, under case number D13702/2024, by RGS Group Holdings Limited ("**RGS**"), against, *inter alios*, the Company, the BRPs, Vision, the Lender Group, and Powertrans Sales and Services has been postponed by the Court until 29 January 2025. Further details relating to this application can be accessed at <https://www.tongaat.com/rgs-urgent-application/> In the interim, there is nothing precluding the BRPs from continuing to implement the Asset Transaction in accordance with the Plan.

2.4. Creditor Claims

- 2.4.1. Creditors are reminded to review their claims as they are reflected in 'Annexure A' of the Plan, which reflects all claims in accordance with the Company's records. In the event that any Creditor identifies any discrepancies between its submitted claim and the claim amount recorded by the Company, please do not hesitate to contact us on: BR@tongaat.com.
- 2.4.2. Take note that the Plan provides a process for Creditors to deal with any remaining disputes related to claims, and Creditors who dispute their claims reflected in the Plan, will be at liberty to follow such process, if they so wish.



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3. CLOSING REMARKS

3.1. It remains our view that the Company stands a reasonable prospect of being rescued, as contemplated in section 128(1)(h) of the Companies Act, in a manner that will balance the rights and interests of all Affected Persons.

3.2. Affected Persons are reminded that all notices and documents regarding the business rescue proceedings of the Company that have been and/or will be circulated to all known Affected Persons are or will be published and made available to all Affected Persons on the Company's website at: www.tongaat.com, under the 'Business Rescue' tab.

3.3. If you have any queries, they may be directed to the business rescue email address at: BR@tongaat.com.

Yours faithfully,

TJ Murgatroyd

PF van den Steen

GC Albertyn

The Joint Business Rescue Practitioners of Tongaat Hulett Limited (in business rescue)

Companies and Intellectual Property Commission
Republic of South Africa

Form CoR 125.1

About this Form

- This form is issued in terms of section 132 and 141 of the companies Act, 2008, and Regulation 125 of the Companies Regulations, 2011.
- This Notice and the attached report must be published to every affected person, and to-
 - a) The Commission, if the business rescue proceedings were started by the company; or
 - b) The court, if the proceedings were ordered by the court.
- A report and Notice must be issued at the end of the first three months of the business rescue proceedings, and at regular monthly intervals after that

**Contacting the
Commission**

The Companies and Intellectual
Property Commission of South
Africa

Postal Address
PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za

Business Rescue Status Report

Date: December 2024

Customer Code: WERKMP

Concerning

(Name and Registration Number of Company)

Name: Tongaat Hulett Limited

Registration No: 1892/000610/06

The above named company commenced business rescue proceedings on
27 October 2022.

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioner provides the attached report in terms of section 132 (3).

Name and Title of person signing on behalf of the Practitioner:

TJ Murgatroyd, PF van den Steen & GC Albertyn
Joint Business Rescue Practitioners

Authorised Signature:

