

Circular Eleven: To All Known Creditors and Other Affected Persons of Ascension Properties Limited (In Business Rescue) (the “Company”)

14 April 2023

Dear Sir/Madam

1. Introduction

- 1.1. On 17 March 2023, the joint business rescue practitioners (**‘BRPs’**) of Ascension Properties Limited (the **‘Company’**) published a proposed business rescue plan (the **‘Plan’**) for the Company.
- 1.2. On the same day, the BRPs also issued a notice convening a meeting of creditors in terms of section 151 of the Companies Act, 2008, as amended (the **‘Companies Act’**) for creditors to consider and vote on the proposed Plan (the **‘s151 meeting’**).
- 1.3. In addition, the BRPs convened a meeting of creditors in terms of section 143(3) of the Companies Act for creditors to consider and vote on the approval of the agreement for additional remuneration of the BRPs (the **‘s143 meeting’**).
- 1.4. The s151 meeting and s143 meeting were all held electronically on 03 April 2023 via the Microsoft Teams.
- 1.5. The purpose of this circular is to record the outcomes of:
 - 1.5.1 the s151 meeting in relation to the Plan; and
 - 1.5.2 the s143 meeting in relation to the additional remuneration of the BRPs.

2. The s151 meeting

2.1. Amendment of the Plan

- 2.1.1. Following the publication of the Plan, the BRPs received certain proposed amendments by some of the creditors. All the proposed amendments were incorporated into the Plan in mark up.

- 2.1.2. During the s151 meeting, the BRPs presented the proposed amendments to the creditors and other affected persons and tabled a motion for the proposed amendments to be incorporated into the published Plan. The motion was seconded.
- 2.1.3. Creditors voted in favour of the proposed amendments to be incorporated into the Plan. Accordingly, the Plan was amended by incorporating the proposed changes in the meeting.
- 2.2. Adoption of the Plan
 - 2.2.1 Creditors considered the Plan as amended and voted on its adoption by proxy forms.
 - 2.2.2 A majority of the creditors' voting interests (exercising their votes) voted in favour of the Plan as amended. The value of the votes were as follows:
 - 2.2.2.1 Votes in favour of the Plan amounts R 8 316 255 937,0 / 99,7%; and
 - 2.2.2.2 Votes against the Plan are R 23 626 072,10. /0,3%.
 - 2.2.3 Accordingly, the Plan as amended was supported by majority of the creditors voting interest - all which are independent.

3. The s143 meeting

3.1. Approval of the remuneration of the BRPs:

- 3.1.1. Regulation 128 of the Companies Act sets out basic remuneration for business rescue practitioners. The BRPs have been charging R1 740.00 per hour excluding VAT, as their basic remuneration since their appointment.
- 3.1.2. During the s143 meeting, the BRPs proposed a motion to creditors that the BRPs be permitted to charge R4 000.00 per hour (excluding VAT) in respect of the BRPs, Messrs Phahlani Mkhombo and Jacques du Toit, retrospectively, from the date of their appointment. The motion was put to a vote by creditors. Creditors voted on the motion by proxy form.
- 3.1.3. A majority of the creditors voting interest voted in favour of the motion that the BRPs be permitted to charge R4 000.00 per hour (excluding VAT) in respect



of Messrs Mkhombo and Du Toit, retrospectively, from the date of their appointment. The value of the votes were as follows:

3.1.3.1. Votes in favour of the proposed remuneration R 8 173 191 810,5 /99,0%; and

3.1.3.2. Votes against the proposed remuneration R 23 626 072,1 /1,0%.

3.1.4. Accordingly, the motion to increase the BRPs remuneration was supported by majority of the creditors voting interest.

4. Implementation of the Plan

4.1. In light of the outcomes of the s151 meeting to consider the adoption of the Plan as amended, and s143 meeting, the BRPs will proceed to implement the Plan as adopted and approved by creditors and will report to creditors and other affected persons on the implementation of the Plan as amended. Creditors and other affected persons of the Company may direct their queries in relation to this circular to: businessrescue@ascensionproperties.co.za.

Yours faithfully

Phahlani Mkhombo and Jacques du Toit
Joint Business Rescue Practitioners
Ascension Properties Limited (in Business Rescue)