



FLEXIBLE PACKAGES CONVERTORS (PTY) LTD

MANUFACTURERS & PRINTERS OF HIGH QUALITY FLEXIBLE PACKAGING

FLEXIBLE PACKAGES CONVERTORS PROPRIETARY LIMITED (in business rescue)

Registration Number 2014/232304/07

(the "Company")

30 September 2023

**Status Report in terms of section 132(3) of the Companies Act 71 of 2008, as amended, (the "Companies Act"),
read with Regulation 125**

1. INTRODUCTION

In terms of section 132(3) of the Companies Act a company whose business rescue proceedings have not ended within three months after the start of those proceedings, or such longer time as the court, on application by the business rescue practitioner (the "BRP"), may allow, the BRP must:

- (a) prepare a report on the progress of the business rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and
- (b) deliver the report and each update in the prescribed manner to each affected person, and to the court, if the proceedings have been the subject of a court order or the Companies and Intellectual Property Commission (the "CIPC"), in any other case.

The BRP accordingly submits the third status report.

2. SALIENT DATES

The following table sets out the dates on which certain key events took place, or that are still to take place in the future, during the business rescue proceedings of the Company:

Events	Date
Board resolution commencing business rescue proceedings filed with CIPC	30 March 2023
Commencement of business rescue proceedings	31 March 2023
Appointment of the business rescue practitioner ("BRP")	5 April 2023
First meeting of the creditors of the Company (the "Creditors")	21 April 2023
Extension of time to publish business rescue plan (the "BR Plan") as approved by creditors	16 May 2023
Further extension of time to publish the BR Plan as approved by creditors	31 August 2023
Meeting to consider the BR Plan	7 August 2023

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Directors: SA Directors: S.A. Shamim (CEO), A. Mjuleka, B. Tlhabanelo, Foreign Directors: S.H. Ali, K.R. Bakhayari, S.A. Shamim, A. Abbas

VAT registration number: 4020269090 Company registration: 2014/232304/07



3. IMPLEMENTATION OF THE BUSINESS RESCUE PLAN

The implementation of the adopted BR Plan is in progress. However, as the transaction to be concluded between the purchaser and the seller involves the sale of the assets out of the Company, the assignment of customer contracts will entail negotiations with the seller's customers and it is anticipated that the assignment of customer contracts will take between 2 to 3 months to conclude. In order to provide a certain level of management control to the buyer, an interim management services agreement will be concluded, to facilitate injection of working capital whilst the transaction agreements are being concluded and implemented. It is envisaged that an amount equivalent to the purchase price of R105 million minus the post commencement finance of R60 million plus interest thereon, will be paid into the BRP's trust account for payment of claims and costs of business rescue.

4. IMPACT OF THE SARS VAT CLAWBACK ON THE DIVIDEND

Based on legal advice that was procured by the BRP, a VAT clawback that will have a pre-commencement and a post-commencement component will reduce the estimated dividend of 24 cents to the Rand, but not by the extent indicated at the section 151 meeting of creditors. The BRP is currently reviewing the workings and will provide an estimate of the reduced dividend in the next status report.

5. PROOF OF CLAIMS

All creditors that have not yet submitted their claims are encouraged to do so as soon as possible to avoid not participating in the BR dividend.

6. CONCLUSION

The BRP remains of the opinion that there is reasonable prospect that FPC could be rescued or that a better outcome could be secured for creditors and shareholders than in a liquidation.

SIPHO SONO

Business Rescue Practitioner

FLEXIBLE PACKAGES CONVERTORS PROPRIETARY LIMITED

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