



# **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")

**31 October 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 fourth 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:

<b>Events</b>	<b>Date</b>
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 interim management services agreement (“**IMSA**”) has now been finalised and is in the process of execution. Following execution of the IMSA, a security amount sufficient to settle creditors and defray business rescue costs will be paid into a trust account managed by the BRP.

In addition, the sale of business agreement (“**SoB**”) has been drafted and should be concluded imminently. Once all the conditions precedent in the SoB are met, creditors will be settled, and the Company will be discharged from business rescue. It is anticipated that settlement of creditors will occur in the first quarter of 2024.

### **4. IMPACT OF THE SARS VAT CLAWBACK ON THE DIVIDEND**

The BRP has now finalised the VAT clawback calculation, which required him to request detailed statements from creditors showing expanded aging in order to split the clawback amount between a pre-commencement and post-commencement portions. The net result of the clawback determination is that concurrent creditors claims are now likely to receive a dividend of approximately 15 cents to the Rand, compared to the dividend of 24 cents as indicated in the adopted BR Plan.

### **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.

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**SIPHO SONO**

**Business Rescue Practitioner**

**FLEXIBLE PACKAGES CONVERTORS PROPRIETARY LIMITED**

*Transmitted electronically*