

HENQUE 3935 CC

T/A PQ CLOTHING OUTLET

(in business rescue)

CK 2001/012457/23 (Member - L. Horwitz) - VAT 4870197706

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Notice to affected persons

31 March 2020

REPORT IN TERMS OF SECTION 132(3)(a) and (b) OF THE COMPANIES ACT 71 OF 2008 (AS AMENDED) ("the Act")

HENQUE 3935 CC t/a PQ CLOTHING OUTLET (IN BUSINESS RESCUE) ("the Corporation")

I refer to my previous reports in this regard.

Claim Adjudication

1. The claim of John H Kotze Futures cc ("Kotze") has been rejected. Kotze has invoked the dispute resolution mechanism contained in the business rescue plan. The Honourable Retired Judge Bertelsmann who was appointed as the "expert" to these proceedings handed down a finding in May 2019. I am advised by my legal counsel that the finding can and should be set aside on application to the High Court. I have however made a proposal to settle this matter rather than apply to court and continue with a long and costly legal process and await a response from Kotze in this regard.
2. Both the claim of SARS against the company and the company's claim against SARS (in respect of VAT) are currently disputed. The interpretation attributed to the various laws and acts governing taxes and business rescue by SARS differs from that of the BRP and his legal advisors. We have to date been unable to resolve this dispute amicably and are preparing to launch formal proceedings to settle the dispute.
3. The Disaster Management Act and restrictions by the High Court on the launching of new processes will delay filing until after the lockdown and may delay the hearing of the matter.

Distributions to creditors

4. Distributions to creditors are made in accordance with the provisions of the business rescue plan.

5. Distributions are only paid to those creditors whose claims have been proven, adjudicated and accepted by the BRP.
6. In determining the pro rata distributions to concurrent creditors, the BRP will include all proven and potential claims. Equalization distributions will be paid as creditor's claims are properly proven, adjudicated and accepted.
7. The total distribution paid to date on proven and accepted claims, to creditors is 10.5 cents in the rand.
8. The payment of further distributions is contingent on both the collection of amounts due to the corporation from inter alia, landlords and SARS and the finalization of creditor claims including the completion of the dispute resolution process/es including the one referred to in 2 above.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JF Evans', with a long horizontal stroke extending to the right.

John Francis Evans

In his capacity as the duly appointed BRP