



ARNOTOPCO

Circular Nineteen: To All Known Creditors and Other Affected Persons of Arnot Opco Proprietary Limited (Registration Number: 2019/072282/07) (in Business Rescue) (the “Company”)

04 October 2023

1. Creditors will recall that Wescoal Mining Proprietary Limited (in business rescue) (“**Wescoal**”) and Salungano Group Limited (“**Salungano**”) launched an urgent court application (“the **application**”), as first and second applicants against the Company, Mr. Phahlani Lincoln Mkhombo (“**Mkhombo**”) in his capacity as the business rescue practitioner of the Company (“the **BRP**”), Ndalamo Coal Proprietary Limited (“**Ndalamo**”) and Mashwayi Projects Proprietary Limited (“**Mashwayi**”) as the first, second, third and fourth respondents, respectively.
2. The application was heard on 21 September 2023 in the High Court of South Africa, Gauteng Division, Johannesburg.
3. Judgement was handed down on 02 October 2023 by Judge Stuart Wilson, who heard the same application. A copy of the judgement is attached for ease of reference. The following order was granted:
 - 3.1. The parties’ non-compliance with the Uniform Rules concerning forms, service and time periods is condoned, and this matter is heard as one of urgency in terms of Uniform Rule 6 (12).
 - 3.2. It is declared that “Option B” of the Business Rescue Plan placed before the meeting in terms of section 151 of the Companies Act 71 of 2008 held on 28 July 2023 (“the 28 July Plan”) was duly approved and finally adopted in accordance with section 152 of the Act, in that –
 - 3.2.1. it was supported by the holders of more than 75% of the creditors' voting interests that were voted; and
 - 3.2.2. the votes in support of the proposed plan included at least 50% of the independent creditors' voting interests.
 - 3.3. The third respondent's offer made in terms of Option B is declared to have been accepted.
 - 3.4. The first respondent is ordered to implement the Business Rescue Plan and give effect to the third respondent’s bid.
 - 3.5. The second and fourth respondents are directed, jointly and severally, the one paying the other to be absolved, to pay the costs of this application, including the costs of two counsel.



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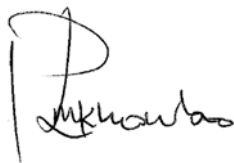
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Rietkuil

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4. We have since receipt of the judgment –
 - 4.1 Been advised by Mashwayi Projects (Pty) Ltd (“Fourth Respondent”) that they will be initiating appeal proceedings in this matter, which they intend to serve upon all relevant parties involved during the upcoming week. A copy of the letter from Mashwayi’s legal representative is attached for ease of reference.
 - 4.2 Received a demand from Ndalamo Coal (Pty) Ltd to proceed with implementing the Business Rescue Plan and give effect to their bid.
5. We have been advised that we are to wait a few more days for the leave to appeal before considering our position regarding the implementation of the Business Rescue Plan or taking whatever steps are necessary to preserve the interest of the Company.
6. In this regard, the section 151 meeting that was scheduled for 16 October 2023 is hereby cancelled and will not take place.
7. The BRP will keep creditors and other affected persons abreast of any developments, should a need arise.
8. Creditors and other affected persons of the Company may direct their queries concerning this circular to Arnotopcoobr@gcs-sa.co.za but are reminded that all relevant notices and documents (including the Judgement) are available online at this link: <https://arnotopco.com/business-resscue/>.

Yours faithfully,



Phahlani Mkhombo N.O.
Business Rescue Practitioner
Arnot Opco Proprietary Limited (in Business Rescue)