

# COMPANIES AND INTELLECTUAL PROPERTY COMMISSION REPUBLIC OF SOUTH AFRICA

Date: 24/03/2022

Customer name: HAROON YUSUF LAHER

Customer code: HAR332

E-mail address: HLAHER@FASKEN.COM

Rereference Number: 60000128048

The Commission has received a form CoR123.1 Notice to Commence Business Rescue Proceedings in terms of section 129 or court order commencing business rescue proceedings in terms of section 131 of the Companies Act, 71 of 2008, dated 23/03/2022 for:

Company / Close Corporation Name: MCG INDUSTRIES (PTY) LTD

Registration Number: 2010/018937/07

Company / Close Corporation Status: BUSINESS RESCUE

The application was duly registered on 24/03/2022 and the effective date of commencement of business rescue proceedings is recorded as 23/03/2022.

Yours sincerely.

**Commissioner: CIPC** 

The Companies and Intellectual Property Commission of South Africa

P.O Box 429,Pretoria, 0001, Republic of South Africa Docex 256, Pretoria Contact centre 086 100 2472 www.cipc.co.za







# Document issued by the Commissioner of Companies And Intellectual Property Commission on Thursday, 24 March 2022 at 11:03

### **Certificate of Confirmation**

Registration Number: 2010/018937/07

Enterprise Name: MCG INDUSTRIES



## **ENTERPRISE INFORMATION**

Registration number: 2010/018937/07

Enterprise Name: MCG INDUSTRIES (PTY) LTD

Registration Date: 13/09/2010

Business Start: 13/09/2010

Enterprise Type: PRIVATE COMPANY

Enterprise Status: BUSINESS RESCUE

Financial Year End: APRIL

Main business/Main object AN INVESTMENT HOLDING COMPANY

Tax number:

Addresses: Postal Address Address Of Registered Office

P O BOX 40320 190 BARBARA ROAD

CLEVELAND GERMISTON GERMISTON GAUTENG GAUTENG

2094 1401

Company Records Location:

The Companies and Intellectual Property Commission of South Africa

P.O Box 429,Pretoria, 0001, Republic of South Africa Docex 256, Pretoria Contact centre 086 100 2472 www.cipc.co.za







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# **Certificate of Confirmation**

Registration Number: 2010/018937/07

Enterprise Name: MCG INDUSTRIES

Registration Number: 2010/018937/07

Enterprise Name: MCG INDUSTRIES (PTY) LTD

**AUDITORS** 

Name

Postal Address

# **ACTIVE MEMBERS / DIRECTORS**

Full Name	Director Type	ID Number	Appoint. Date	Cellphone Number	Address
LEVITT KIRSON BUSINESS SERVICES NO NAME	SECRETARY (COMPANIES AND CC'S)		08/11/2017		Postal:BUILDING 2 DELOITTE PLACE,THE WOODLANDS OFFICE PARK,20 WOODLANDS DRIVE,WOODMEAD ,2052 Residential Address: NO ADDRESS,NO ADDRESS,NO ADDRESS,NO Address,0000
LEVITT KIRSON BUSINESS SERVICES NO NAME	SECRETARY (COMPANIES AND CC'S)		08/11/2017		Postal:BUILDING 2 DELOITTE PLACE,THE WOODLANDS OFFICE PARK,20 WOODLANDS DRIVE,WOODMEAD ,2052 Residential Address: NO ADDRESS,NO ADDRESS,NO ADDRESS,NO Address,0000

3 of 7

EPPEL NEIL NATHAN	DIRECTOR	6910235289083	10/09/2013		Postal:P.O BOX 95105,GRANT PARK,GRANT PARK,NO Adress,2051 Residential Address: 23 B MEYER STREET, OAKLANDS,NO ADRESS,NO Adress,0000
MEINTJES CHRISTIAAN JOHANNES	DIRECTOR	6803185047082	01/11/2013	0828517453	Postal:PO BOX 384,MILNERTON, MILNERTON, GAUTENG,7200 Residential Address: 24 BAROCCA STREET, MALMESBURY, JOHANNESBURG, GAUTENG,7299
VICTOR IAN	DIRECTOR	6812105145082	01/11/2013	0824621244	Postal:PO BOX 40320,CLEVELAND, CLEVELAND, GAUTENG,2090 Residential Address: 41 MENDELSOHN AVENUE, DOWERGLEN X1,EDENVALE, GAUTENG,1609
SEFOLO TSHEGOFATSO BENEDICT	DIRECTOR	7805085471089	01/11/2013	0828517453	Postal:ZICO, PRIVATE BAG X 9952,PRIVATE BAG X 9952,GAUTENG, 2146 Residential Address: NO 5 SPRINGBOK CLOSE, MORNINGSIDE, SANDTON, GAUTENG,2146
SHEZI LONDEKA ANELISIWE	ALTERNATE DIRECTOR	8308240651082	01/11/2013	0836840427	Postal:ZICO, PRIVATE BAG X9952,PRIVATE BAG X9952,GAUTENG, 2146 Residential Address: UNIT 48,BRYAN BROOK ESTATE, PAULSHOF, GAUTENG,2056
JOHN MEDARD IVAN GOPALAN	DIRECTOR	5806085121080	01/02/2014	0836840427	Postal:PO BOX 40320,CLEVELAND, CLEVELAND, GAUTENG,2022 Residential Address: 40 FORESTDALE COMPLEX, DOUGLASDALE, JOHANNESBURG, GAUTENG,2090

DAMALIS NEOPYDOS	DIRECTOR	5201225060085	01/03/2016	0828517453	Postal:P O BOX 145585,BRACKEN GARDENS, JOHANNESBURG, GAUTENG,2000 Residential Address: 101 MC BRIDE STREET, BRACKENHURST, JOHANNESBURG, GAUTENG,2000
SINGH KUMARIE	DIRECTOR	7110270164080	01/03/2016	0827732918	Postal:P O BOX 1729, NORTHRIDING, JOHANNESBURG, GAUTENG,2162 Residential Address: 4 DAVIDOFF, UNIFORM STREET, JOHANNESBURG, GAUTENG,2000
JAKAVULA LUSANDA ZIMKITHA	DIRECTOR	7804090333087	09/02/2016	0836840427	Postal:PRIVATE BAG X9952,SANDTON, JOHANNESBURG, GAUTENG,2146 Residential Address: 1905 MANIKLE STREET,BLUE VALLEY GOLF COURSE AND COUNTRY, KOSMOSDAL, GAUTENG,0157
MUNYEMBATE PATRICK ADRIAN	DIRECTOR	7604305558084	01/03/2016	0727874692	Postal:24 PYTCHLEY ROAD, BRYANSTON, JOHANNESBURG, GAUTENG,2000 Residential Address: 24 PYTCHLEY ROAD, BRYANSTON, JOHANNESBURG, GAUTENG,2000
MALEKA REFILWE RAESIBE	DIRECTOR	8406300548089	30/03/2017	0762272877	Postal:PRIVATE BAG X9952,SANDTON, JOHANNESBURG, GAUTENG,2146 Residential Address: NO 45,71 COWLEY ROAD, BRYANSTON, GAUTENG,2146
ZUNGU SANDILE DONALD MUZIWENKOSI	NON EXECUTIVE DIRECTOR	6702105327089	10/09/2018	0832690657	Postal:386 MAIN ROAD, BRYANSTON, JOHANNESBURG, GAUTENG,2146 Residential Address: 55 ECCLESTON CRESCENT, BRYANSTON, JOHANNESBURG, GAUTENG,2146

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PHOFU BATHABILE	NON EXECUTIVE DIRECTOR	8503190316088	01/06/2019	0823686125	Postal:PRIVATE BAG X9952,SANDTON, JOHANNESBURG, GAUTENG,2146 Residential Address: 25 CASTELLANO ESTATE,1 CEDAR AVENUE WEST,FOURWAYS, GAUTENG,2191
GOVENDER GERARD IMMANUEL	ALTERNATE DIRECTOR	8711025150081	01/06/2019	0826519906	Postal:PRIVATE BAG X9952,SANDTON, JOHANNESBURG, GAUTENG,2146 Residential Address: 51 GALWAY ROAD,PARKVIEW, JOHANNESBURG, GAUTENG,2193
FERREIRA CHARL	ALTERNATE DIRECTOR	7209025137084	01/06/2019	0825792598	Postal:PRIVATE BAG X9952,SANDTON, JOHANNESBURG, GAUTENG,2146 Residential Address: 89 DAVID ROAD,DUXBERRY, SANDTON, GAUTENG,2146
GRIMSLEY SELWYN JOHN	DIRECTOR	6108275111081	12/12/2019	0826790052	Postal:P O BOX 3875,DAINFERN, JOHANNESBURG, GAUTENG,2055 Residential Address: 36 PAPERBARK ROAD,FOURWAYS, JOHANNESBURG, GAUTENG,2055
STEYN CONRAD	DIRECTOR	7611135022082	06/01/2020	0824291379	Postal:2-33RD STREET,MALVERN, JOHANNESBURG, GAUTENG,2046 Residential Address: 14 BRITS AVENUE,WIERDA PARK,WIERDA PARK,GAUTENG, 0157

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MKHIZE QUEEN MAKHOSAZANE	DIRECTOR	6510150416081	13/09/2010	Postal:P O BOX 783347,SANDTON, JOHANNESBURG, Gauteng,2146 Residential Address: 16143 INCAPE STREET, EASTFIELD, EXTENSION 16,Gauteng,1685
MEYERSFELD SEAN CECIL	DIRECTOR	7506105038086	19/08/2011	Postal:P O BOX 75,STRATHAVON, NO ADRESS,NO Adress,2031 Residential Address: 37 VENUS STREET,MELROSE, NO ADRESS,NO Adress,2196
LEVITT KIRSON BUSINESS SERVICES NO NAME	SECRETARY (COMPANIES AND CC'S)		08/11/2017	Postal:BUILDING 2 DELOITTE PLACE,THE WOODLANDS OFFICE PARK,20 WOODLANDS DRIVE,WOODMEAD ,2052 Residential Address: NO ADDRESS,NO ADDRESS,NO Address,0000

SWORN AFFIDAVIT IN TERMS OF SECTION 129(3)(A) OF THE COMPANIES ACT
71 OF 2008 (as amended) IN RELATION TO THE BUSINESS RESCUE
PROCEEDINGS OF MCG INDUSTRIES PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2010/018937/07)

I, the undersigned.

SELWYN JOHN GRIMSLEY (with identity number: 610827 5111 08 1)

do hereby state under oath as follows -

1.

- 1.1 I am the Chief Executive Officer and a director of MCG INDUSTRIES PROPRIETARY LIMITED (registration number: 2010/018937/07) (the Company) conducting business, as a manufacturer of injection moulded crates and containers, serving diverse markets that include beer, soft drinks, agriculture, dairy, bread and poultry.
- 1.2 The Company ceased operations of its flexible plastic extrusion business on 28 February 2022. This division of the business operations of the Company provided extruded secondary plastic packaging products to customers for the use in transportation of goods.
- 1.3 The Company assists customers with their packaging requirements from concept, through the design and development phase up to product realisation.
- 1.4 The Company operates from factories situated in Gauteng and Western Cape Provinces.
- 2. Save where the contrary is stated or appears from the context, the facts to which I depose in this affidavit are within my personal knowledge and are to the best of my belief both true and correct.

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H.M.M.

- 3. On 23 March 2022 the board of directors of the Company adopted a resolution inter alia for the Company to voluntarily begin business rescue proceedings and place itself under supervision. As appears from the resolution, I am authorised to represent the Company and sign all required documents to give effect to the business rescue resolution.
- 4. I make this affidavit setting out the facts relevant to the grounds on which the business resolution was founded
  - 4.1 on Thursday, 17 March 2022, Sasfin Private Equity Investments Proprietary Limited, with registration number 1993/000715/07 (Sasfin), a shareholder and creditor of the Company for an amount of R117,097,764.91, launched proceedings, by way or urgency, for the perfection of security held by Sasfin in terms of a general notarial bond executed by the Company and registered in favour of Sasfin under bond number BN13629/2020 on 3 August 2020 (GNB) (the Perfection Application);
  - 4.2 on Tuesday, 22 March 2022, the Johannesburg High Court granted an order in favour of Sasfin in the Perfection Application authorising Sasfin, *inter alia*, to enter all premises of the Company wherever assets hypothecated and encumbered by the Company in terms of the GNB are situated and take possession of those assets in the perfection of its security under the GNB;
  - the Company is in arrears with payment of various amounts to its trade creditors including SAFRIPOL, the largest creditor in the amount of R15,798,998.15;
  - the total amount owing by the Company to its trade creditors is approximately R44,000,000, all of which is unsecured;
  - 4.5 the projected EBITDA (earnings before interest, taxes, depreciation and amortization) of the Company for the ensuing six months is positive if the debt servicing obligations of the Company to Sasfin, the liabilities to trade creditors and the rental obligations to the landlords are suspended, restructured or



deferred – which means that the Company, save for these obligations, is otherwise profitable;

- 4.6 the Company employs 150 employees, most of which are unlikely to find alternative employment in the event of the Company being placed in liquidation;
- 4.7 the Company does make a significant contribution to the national fiscus, and plays an important role in the manufacturing of the goods that are key and critical to large business operation in South Africa;
- the Company has faced a very difficult trading environment since the onset of the Covid-19 pandemic and ban on alcohol consumption as part of measures to combat the spread of the Covid virus. While the Company has been able to manage its expenses and discharge its liabilities as and when they fell due for payment, the more recent period has seen new challenges for the business through an acute shortage of glass and other raw materials required for the manufacture of products like crates for its customers. During this period, the volume of sales has also decreased with the result that pressure was exerted on the Company's ability to discharge its operational expenditure and service its debt obligations to SASFIN;
- 4.9 the Company has also been severely affected by scheduled and often unscheduled electricity blackouts making it very difficult to continue with its business operations and fulfil orders timeously;
- in the past, the Company used its own resources and relied on shareholder injection for its working capital and expenditure requirements. However, after having identified the key areas for restructure, namely the debt servicing costs to Sasfin; the high cost of electricity and rental payable, in an attempt to generate a further cash injection from the shareholders to enable the Company to navigate for the next six months and conclude various restructuring objectives to alleviate the strain on its cash flow, the shareholders decided on Tuesday, 22 March 2022 that they were not willing and prepared to inject any further funding into the Company. The next six months are critical to the Company in light of lucrative



business that could be generated by the company on projects that will be confirmed and rolled out over the next six to twelve months;

- 4.11 it is therefore apparent that on the Company's anticipated cash flow over the ensuing six months, and without any financial support from the shareholders, the Company is unlikely to be able to discharge payment of all its debts as they become due in the ensuing six months and before the Company secures the high revenue generating and profitable contracts over the next year:
- 4.12 the Company and its shareholders recognise that the future solvency of the Company is dependent on legacy debt like that Sasfin and all its trade creditors being restructured together with a restructuring of the rental payable under its leases and an operational restructure of its workforce they are however no longer prepared to provide any further financial support to the Company;
- the Company has the potential of submitting substantial tenders in the near future for ongoing contracts with two of its major customers, ABInBev and Heineken, which could be a major boost to the Company's financial position, if awarded.
- 5. As a result, the Company is reasonably unlikely to be able to pay its debts as and when they become due and payable within the ensuing six months.
- 6. Accordingly, the Company has no option but to conclude that the business is in financial distress and to consider what options are open to it. The board has decided that voluntary business rescue is in the best interest of the Company as it will allow for the following:
  - 6.1 the ability for the Company to continue with business and its manufacturing operations, in the short-to-medium, so as to preserve its goodwill and going concern status;
  - 6.2 afford the Company a general and effective moratorium as a protective bubble to enable the business rescue practitioners, in consultation with all key stakeholders, to preserve value and propose an outcome that balances the rights and interests of all stakeholders of the Company, including its shareholders, creditors and employees;

- 6.3 the ability for the business rescue practitioners, upon their appointment, to immediately search and secure post-commencement finance, on a secured or unsecured basis, to provide the necessary injection of capital into the Company to stabilise and alleviate the short-term liquidity situation of the Company and thereby enable operations to continue with minimal disruption;
- 6.4 the ability of the business rescue practitioners, upon their appointment, to implement all cost-saving measures to alleviate the pressure on the liquidity position of the Company in order to provide the Company with an opportunity to restructure and recalibrate not only its balance sheet but also its operational expenditure in other words, right-size the Company from a financial perspective and ensure that it is saved as a going concern for the benefit of all employees retained through the process of business rescue;
- 6.5 the ability to provide a better return for the creditors of the Company than would be achieved in a liquidation of the Company by either restructuring the debt and equity of the Company and returning it to solvency, failing which securing a structured wind-down by a disposal of the assets of the Company in a manner that would give rise to a better return to creditors than in liquidation;
- allow for the collection of all debts owed to the Company in the ordinary course (whilst under business rescue proceedings); and
- allow for the business rescue practitioners, when appointed, to immediately investigate the possibility of selling the Company or its assets as a going concern

   again achieving a better outcome for the Company's creditors than would be the case in liquidation;
- 6.8 the business rescue plan to be published will assist the Company to exit the business rescue proceedings with as much value attached to the business preserved and, most importantly, on a solvent basis any other option, like liquidation, will be value destructive and result is substantial damage and loss to all stakeholders, most importantly in the loss of jobs.



- 7. In addition to the Perfection Application, the Company has the following legal proceedings pending:
  - 7.1 action instituted by the Company against a debtor, Lampak CC trading as Packaging World for the recovery of a debt owed to the Company of R1,600,000;
  - action instituted by the Company against a debtor, Bretcor CC for the recovery of a debt owed to the Company of R700,000; and
  - 7.3 action instituted by Worldwind Logistics against the Company for a claim of R2,000,000 which the Company intends to dispute.

SELWYN JOHN GRIMSLEY

I CERTIFY that this affidavit was signed and sworn to before me at JOHANNESBURG on this the 23<sup>th</sup> day of MRCH 2022 by the deponent who acknowledged that he knew and understood the content of this affidavit, had no objection to taking this oath, considered this oath to be binding on his conscience and who uttered the following words: "I swear that the contents of this affidavit are true, so help me God".

COMMISSIONER OF OATHS

Name: H.M. MATHE

Address: CNR. TOPAAS & Douguas ROAD

Capacity: SERGEANT

CLIENT SERVICE CENTRE

2022 -03- 23

DOUGLASDALE

SOUTH AFRICAN POLICE SERVICE

## MCG INDUSTRIES (PROPRIETARY) LIMITED

(REGISTRATION NO. 2010/018937/07)

Incorporated in the Republic of South Africa

(the Company)

#### WRITTEN RESOLUTION OF DIRECTORS OF THE COMPANY

# Passed by Round Robin on 23 March 2022

#### Resolution 002/2022

# Notice of the meeting

It was noted that all the members had consented in terms of Section 74(1) of the Companies Act of 2008, to the meeting being held without prior notice. It was resolved to waive the required notice of the meeting.

#### Directors acting other than at a meeting

That the following resolutions were passed by directors acting other than at a meeting in terms of S74 of the Companies Act, No 71 of 2008 (the **Act**). By signing the resolutions, the directors indicate that they have voted in favour of the adoption of the resolutions for purposes of section 74 of the Act.

This document may be signed in any number of counterparts. Each counterpart is an original and all counterparts taken together constitute one and the same instrument.

### Financial interest of directors

None of the directors had any financial interests to disclose or note in terms of section 75 of the Act.

# **Matter Considered**

An affidavit deposed by **SELWYN JOHN GRIMSLEY** (with identity number: 610827 5111 08 1), the Chief Executive Officer of the Company, in terms of section 128(3)(a) of the Companies Act, 2008, was tabled for consideration by the board.

The following resolutions were then passed, with each resolution being dated 23 March 2022, and each resolution being sequentially numbered in the order that it was passed:

#### IT WAS RESOLVED BY ROUND ROBIN THAT:

- 1. the notice of meeting is waived;
- 2. the Company voluntarily begins business rescue proceedings and the Company is placed under supervision in terms of section 129(1) of the Companies Act 71 of 2008, it being recorded that the board has reasonable grounds to believe that:
  - a. the Company is in financial distress in that it is reasonably unlikely to be able to pay its debts now and as and when they become due in the future *alternatively* it appears to be reasonably likely that the Company will become insolvent, in the ensuing six months;
  - b. there appears to be a reasonable prospect of rescuing the Company; and
- 3. the Company makes payment of an amount of R1,000,000 (one million rand) into the trust account of Fasken (incorporated in South Africa as Bell Dewar Inc.) for payment of legal fees, costs and expenses to be incurred in the business rescue proceedings of the Company inclusive of the costs of the appointed business rescue practitioners.

IT WAS FURTHER RESOLVED THAT THOMAS GEORGE NELL (with identity number 600819 5111 08 0) and GIDEON J SLABBERT (with identity number 890523 5221 08 4) be and are hereby appointed, jointly, as business rescue practitioners of the Company.

IT WAS FURTHER RESOLVED THAT SELWYN JOHN GRIMSLEY (with identity number: 610827 5111 08 1), the Chief Executive Officer of the Company, be and is hereby authorised on behalf of the Company, to do or cause to be done, all such things, and sign, and cause to be signed all such documentation, as may be necessary or desirable to give effect to the aforegoing, and insofar as any director has done any of the aforegoing prior to the passing of this resolution, such action be and is hereby ratified and approved.

IT WAS FURTHER RESOLVED THAT FASKEN (incorporated in South Africa as Bell Dewar Inc.) be and is hereby appointed as attorneys on behalf of the Company in relation to the filing of this resolution in relation to the commencement of the business rescue proceedings of the Company and all matters related to and associated with the business rescue proceedings of the Company.

# **SIGNED**

My	23/03/2022
CONRAD STEYN	DATE
	23 MARCH 2022
SELWYN JOHN GRIMSLEY	DATE
	a
SANDILE DONALD MUZIWENKOSI ZUNGU	DATE
BATHABILE PORO	DATE

# SIGNED out Bryanston

CONRAD STEYN	II.	DATE
CEL WYN IOIN CDIMCLEY	_	DATE
SELWYN JOHN GRIMSLEY		DATE
	2.3	
REAL		23 March 2022
SANDILE DONALD MUZIWENKOSI ZUNGU	-	DATE
(Charl Ferreira: Alternate)		
TARON CONTRACTOR OF THE PARTY O	E.	
Tako	_	23 Narch 2022
BATHABILE PORO		DATE



# COMPANIES AND INTELLECTUAL PROPERTY COMMISSION REPUBLIC OF SOUTH AFRICA

Date of Issue: 28/03/2022

Our Reference: 60000128663

Customer Code: 50100F

Email Address: GEORGE@CORPORATEBUSINESSRESCU

E.CO.ZA

This hereby confirms that your notice of application dated 28/03/2022 for business rescue practitioner(s) was successful.

Company Number: 2010/018937/07

Company Name: MCG INDUSTRIES (PTY) LTD

Company Status: BUSINESS RESCUE

### **Business Rescue Practitioner(s)**

Name	Classification	Action	Date
Thomas George Nell	Senior Practitioner	Appoint	23/03/2022
Gideon Johannes Slabbert	Junior Practitioner	Appoint	23/03/2022

# Yours truly

**Commissioner: CIPC** 

the dti Campus (Block F - Entfutfukweni), 77 Meintjies Street, Sunnyside, Pretoria I P O Box 429, Pretoria, 0001 Call Centre: 086 100 2472

Email: rvoller@cipc.co.za / Website: www.cipc.co.za





