



**MATUSON**  
ASSOCIATES

---

**Evraz Highveld Steel and Vanadium Limited (in business rescue)**

**Registration number 1960/001900/06**

**(“The Company”)**

---

**February 2017**

**Report to the Companies and Intellectual Property Commission**

**and to all Affected Persons**

**In terms of Section 132(3)(a) of the Companies Act 71 of 2008**

Prepared by:

**Piers Marsden and Daniel Terblanche – Joint Business Rescue Practitioners (“joint BRPs”)**

Matuson & Associates (Pty) Ltd Reg Nr: 2009/008967/07 VAT Nr: 4780253763

Directors: Les Matuson | Piers Marsden | Gary Kaplan | John Lightfoot

t: +27 (0)11 728 7166/7 f: +27 (0)86 554 9998 w: [www.matusonassociates.co.za](http://www.matusonassociates.co.za)

1<sup>st</sup> Floor, One on Ninth, Cnr Glenhove Road & Ninth Street, Melrose Estate, Johannesburg, 2196 | PO Box 92796, Norwood, 2117



## **1. Introduction**

- 1.1.** The business rescue proceedings of the Company have not been concluded within three months of the date of commencement thereof, and therefore this update report is being tabled in terms of section 132(3)(a) of the Companies Act 71 of 2008 (“Act”).
- 1.2.** It is important to read this report in conjunction with the Business Rescue Plan (“Plan”) and previous update reports.

## **2. Update on Business Rescue Proceedings**

### **Structural Mill:**

- 2.1.** The contract manufacturing and option to buy agreement between the Company and ArcelorMittal South Africa Limited was concluded during December 2016.
- 2.2.** The refurbishment of the Structural Mill is expected to be completed by April 2017.
- 2.3.** Once the refurbishment has been completed, the Structural Mill assets will be sold to a wholly owned subsidiary of the Company (please refer to the last presentation to the general meeting of affected persons which details the structure.)
- 2.4.** It is expected that the Structural Mill will commence production immediately thereafter.

### **Other Strategic Assets**

- 2.5.** The joint BRPs continue to engage with buyers on several of the Company’s strategic assets.

### **Update Meeting:**

- 2.6.** A general meeting of affected persons was held on 24 February 2017 to provide affected persons with an update on the business rescue proceedings and to discuss the way forward. The presentation presented will be made available on the Company’s website.

## **3. Proof of Claims**

- 3.1.** The claims submission period has closed.
- 3.2.** Creditors are still being informed on a) whether their claim has been accepted and b) the quantum of such claim.
- 3.3.** Please refer any questions or queries relating to your claim to [evrazhighveld@matusonassociates.co.za](mailto:evrazhighveld@matusonassociates.co.za)



#### **4. Litigation**

- 4.1.** The papers filed to date in the application and action against Air Liquide (Pty) Limited are available on the Company's website.
- 4.2.** Air Liquide has issued an application for substituted service as well as a joinder application. These papers are also available on the Company's website.
- 4.3.** Affected Persons will be advised of further updates.

#### **5. Suggested Way Forward**

In terms of the Plan, the business rescue is proceeding in accordance with Proposal 3, i.e. the wind-down of the Company.

#### **6. Conclusion**

It is the joint BRPs' view that Proposal 3 will result in a better outcome for all affected persons than a liquidation.