



**MATUSON**  
ASSOCIATES

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

**Registration number 1960/001900/06**

**("The Company")**

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**March/April 2019**

**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")**

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## **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 as well as the presentation given at the general meeting of affected persons, which was held on 19 February 2018. The presentation presented is available on the Company’s website. ([www.evrazhighveld.co.za](http://www.evrazhighveld.co.za))

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

### **Structural Mill:**

- 2.1.** Production continues in terms of the contract manufacturing agreement.
- 2.2.** The First option date for the purchase of the Structural Mill was not exercised. The CMA was extended to June 2019 (being the second option date), however, we hope to have any update before that date.

### **Other Strategic Assets**

- 2.3. Iron plant 1** – The scrapping of redundant portions of Iron Plant 1 has commenced this process is expected to take 6 months.
- 2.4. Iron Plant 2** – We are currently review several proposals which could include the restart of these operations
- 2.5. Plate Mill** – We are currently reviewed several proposals which could include the restart of these operations.
- 2.6.** The joint BRPs continue to engage with buyers on several of the Company’s strategic assets.

### **Employee Payments**

- 2.7.** Employees have been paid approximately 61% (R 179 417 563) of the total amount owed to them. The last payment to employees was made in April 2019.

## **3. Proof of Claims**

- 3.1.** The claims submission period has closed.
- 3.2.** Majority of creditors have received confirmation of their accepted claim and the quantum thereof.



**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.** 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.