

**Companies and Intellectual Property Commission
Republic of South Africa**

Form CoR 125.1

About this Form

- This form is issued in terms of section 132 and 141 of the companies Act, 2008, and Regulation 125 of the Companies Regulations, 2011.
- This Notice and the attached report must be published to every affected person, and to:
 - a) The Commission, if the business rescue proceedings were started by the company; or
 - b) The court, if the proceedings were ordered by the court.
- A report and Notice must be issued at the end of the first three months of the business rescue proceedings, and at regular monthly intervals after that

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

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PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za

Business Rescue Status Report

Date: 23 MAY 2013

Customer Code: ENF001

Concerning

(Name and Registration Number of Company)

Name: ABELA PROPERTY INVESTMENTS (PTY) LIMITED

Registration No: 2001/017161/07

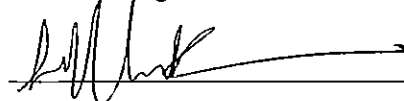
The above named company commenced business rescue proceedings on
26 FEBRUARY 2013

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioner provides the attached report in terms of section 132 (3).

Name and Title of person signing on behalf of the Practitioner:

CLAIRE MORGAN / LAUREN MENTZ - ATTORNEYS
(EDWARD NATHAN SONNENBERGS)

Authorised Signature:



**ABELA PROPERTY INVESTMENTS (PTY) LIMITED (IN BUSINESS
RESCUE)**

("the company")

BUSINESS RESCUE STATUS REPORT: MAY 2013

1. I, Trevor Philip Glaum, in my capacity as the business rescue practitioner of the company, compiled this report in terms of section 132(3) of the Companies Act, 71 of 2008 ("the Act"), in that the company's business rescue proceedings will not have ended within three months after the start of those proceedings.

BACKGROUND

2. The company was placed under supervision and in business rescue in terms of section 131(7) of the Act on 26 February 2013 by order of the Western Cape High Court ("the order") pursuant to an application by Investec Bank Limited ("Investec"). Investec originally applied for the liquidation of the company: after making such application Investec and representatives of the company held discussions and it was decided that it was in the best interests of all stakeholders that the Court be requested to exercise its discretion in terms of section 131(7) and make an order placing the company in business rescue. The business rescue of the company accordingly commenced on 26 February 2013.

3. In terms of the order, I was appointed as the interim business rescue practitioner in respect of the company.
4. On 15 March 2013, CIPC issued my registration certificate in terms whereof I am classified as a senior business rescue practitioner.
5. Section 131(8)(b) of the Act states that a company that has been placed under supervision by way of a court order must notify each affected person of the order within 5 business days after the date of the order. In the circumstances, on 4 March 2013, notice of the order was provided to all affected persons of the company.
6. The notice sent to affected persons on 4 March 2013 incorporated the notice of the first meeting of creditors, as required in terms of section 147(2) of the Act.
7. The company has no employees.

THE FIRST MEETINGS OF THE CREDITORS OF THE COMPANY

8. The first meeting of the creditors of the company was held on 11 March 2013, within 10 business days of my appointment, as required by section 147(1) of the Act.
9. At the first meeting of creditors, my appointment as business rescue practitioner was ratified by the holders of a majority of the independent voting interests, as required by section 131(5) of the Act.
10. A committee of creditors was formed at the first meeting of creditors and we have continued to meet regularly.

THE PUBLICATION OF THE BUSINESS RESCUE PLAN

11. In terms of section 150(5) of the Act, a company is required to publish a business rescue plan within 25 business days after the date on which the practitioner was appointed. In the circumstances, the company was required to publish a business rescue plan on or before 5 April 2013.
12. The time period within which to publish a business rescue plan, as required by the Act, was insufficient in respect of the business rescue of the company. The company is part of the interrelated and complex Louis Group of companies ("the Louis Group").
13. After I was appointed as the business rescue practitioner, I began to investigate the company's business, property, affairs and financial situation. This duty is mandated by section 141(1) of the Act. I knew this would be an enormous task given the complexity of the Louis Group.
14. In the circumstances, I requested an extension for the publication of the business rescue plan which was granted at the first meeting of the creditors by the holders of a majority of the creditors' voting interests, as required by section 150(5)(b) of the Act. I subsequently advised the creditors of the company that a business rescue plan will be published on or before 31 May 2013.
15. In this regard, I am part of a team of 5 chartered accountants working on updating and finalizing, *inter alia*, management accounts, balance sheets and reconciling inter-company loan accounts for purposes of putting together the plan.

16. I am of the view that with the sale of the major asset of the company, being Belvedere Square, Claremont, the company's substratum will disappear and the company therefore will fall to be wound up at the end of the business rescue proceedings. I believe that these business rescue proceedings, by realising the company's major asset outside of a liquidation, will result in a better return for the company's creditors or shareholders than would have resulted from the immediate liquidation of the company.

POST-COMMENCEMENT FINANCE ("PCF")

17. After the company was placed under supervision, PCF was advanced by certain of the company's creditors, namely the Standard Bank of South Africa Limited and Investec.
18. The above post-commencement financiers have agreed to possibly provide further post-commencement finance in future.

THE SALE OF ERVEN 160464 AND 51224, CAPE TOWN – KNOWN AS BELVEDERE SQUARE, CLAREMONT ("the property")

19. A sale agreement in respect of the property, together with the property letting enterprise conducted thereon, was concluded on 17 February 2013 by the company and Crystal Capital Investments (Pty) Limited for a total purchase price of R41.25 million ("the sale").
20. The aforesaid sale will be contemplated within, and undertaken as part of the implementation of, a business rescue plan that will be considered at a meeting convened in terms of section 152 of the 2008 Companies Act.

EXTENSION OF THE DATE FOR THE PUBLICATION OF THE BUSINESS RESCUE PLAN

21. In terms of section 150(5)(b) of the Act, I requested and was granted an extension within which to publish the business rescue plan by Investec, the holder of a majority of the creditors' voting interests.

22. In the circumstances, the business rescue plan will be published on or before 5 July 2013.

PROOF OF CLAIMS

23. Creditors may continue to submit claims.

24. Claim forms are available on the Sanek Trust Recovery Services (Pty) Limited ("Sanek") website: www.sanek.co.za and may be submitted via email to stefne@sanek.co.za. The original claim forms are to be delivered to Sanek's offices at 3rd Floor, 5 St George's Mall, Cape Town.

SIGNED AT

Cape Town

ON

23rd May 2013


TREVOR GLAUM

BUSINESS RESCUE PRACTITIONER