



**NOTICE TO ALL AFFECTED PERSONS OF IFA FAIR-ZIM HOTEL AND RESORT (PTY) LTD (“THE COMPANY”)
(REGISTRATION NO. 2006/038614/07)**

APPLICATION IN TERMS OF SECTION 150(5) OF THE COMPANIES ACT, NO 71 OF 2008, FOR AN EXTENSION OF TIME TO PUBLISH THE BUSINESS RESCUE PLAN

Application is hereby made by the Business Rescue Practitioner (“BRP”) in terms of Section 150(5) of the Companies Act, No. 71 of 2008 (“the Act”), for an Extension of Time to publish the Business Rescue Plan, which is due to be published within 25 days of the appointment of the Business Rescue Practitioner. In this instance, by the 22nd October 2020.

In terms of Section 150(5) of the Act, an Extension of Time to publish the Business Rescue Plan can be allowed in one of two ways, namely:

1. By the High Court, on application by the Company.
2. By the holders of the majority of the Creditor’s voting interests, voting in favour of the Extension of Time to publish the Business Rescue Plan.

To curtail costs, I have elected to obtain the extension from Creditors who are requested to vote, for or against the Extension of Time.

I have discussed this application with the major creditors, the Creditors Committee and Employees Committee who unanimously support the application for an Extension of Time to lodge the Business Rescue Plan. The major creditors represent more than 85% of the total value of creditors.

Attached to this Notice is a Voting Ballot. Kindly complete and indicate your preference (for or against the Extension of Time) and return it to the Business Rescue Practitioner, at the following e-mail address: voting@zimbaliresort.com

The reasons for the request for Extension for Time within which to publish the Business Rescue Plan are inter alia, the following:

1. Post Commencement Funding (“PCF”) has been provided by the Shareholder to meet the Company’s essential ongoing obligations and an application has been presented to the major creditor for additional funding;
2. The current PCF Funding enables the assets of the Company, which includes the Fairmont-Zimbali Hotel to be securely maintained whilst a sales process is followed. The Hotel is not trading and the intention is to dispose of the Hotel, movable assets, development land and shares held in Shareblock companies through a sales process.
3. Jones Lang La Salle’s Hotel and Hospitality Group (“JLL”) has been appointed by the BRP as the transaction advisors to assist with the sales process. Prior to business rescue a “soft marketing” process had commenced with JLL to sell the assets. This sale process is continuing with a more aggressive and widespread process, both nationally and internationally.
4. Due to the complexities of the sales process, it is envisaged that this transaction process, including a Due Diligence period, will take 3 months before any definitive agreement is signed. This excludes obtaining Competition Consumer approval, if required.

IFA FAIR-ZIM HOTEL & RESORT (PTY) LTD

5 Corkwood Drive, Zimbali Coastal Resort, KwaZulu-Natal, South Africa.
P O Box 12, Zimbali, 4422, South Africa. Tel: +27 32 538-1205. Fax: +27 32 538-1295.

Director : W J Burger

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5. It is premature to formulate the Plan until a transaction is concluded and the value of the asset is known. It is not economically viable to open and operate the Hotel after the COVID-19 lockdown of 6 months.
6. It is submitted that the orderly sale of the Hotel and the assets will result in a better return for the Company's creditors than would result from an immediate liquidation of the Company.

Accordingly, the BRP recommends that the Business Rescue Plan be published on or before the 31st January 2021, an extension of slightly more than 3 months. If circumstances permit, the Plan will be published sooner.

Kindly return the attached Voting ballot before **12 noon on 21 October 2020** specifying your election by returning it by e-mail to voting@zimbaliresort.com Should you not respond before the deadline, it will be assumed that you have no objections to the Extension.

Stakeholders are reminded that the decision on the Extension of Time to publish the Business Rescue Plan is determined by the holders of a majority of the creditors' voting interests.

Regards

BUSINESS RESCUE PRACTITIONER
P DE VILLIERS BERRANGE

DATE: 16 OCTOBER 2020

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