

10 April 2024

FOURTH CIRCULAR TO CREDITORS

INSOLVENT ESTATE: BHI TRUST (UNDER SEQUESTRATION)

“THE TRUST”

MASTER’S REF: G000958/2023

Further to our third circular dated 16 January 2024 please note:

1)The trustees were not able to furnish a circular mid-March as per 16 January 2024 advises due to interalia the high number of claims submitted to the trustee’s offices.

2)The Trust was finally sequestrated on 7 February 2024.

3)The Master convened the first creditor's meeting on 22 March 2024 to be held on 3 April 2024 at the Randburg Magistrate’s court.

823 creditors submitted claims with the trustees totaling R 1 639 015 924.53

The meeting commenced on the 3rd of April 2024 and was postponed to 10 April 2024 due to the unavailability of the responsible presiding officer on the day. The meeting duly continued on 10 April 2024 before the presiding officer at Randburg Magistrate’s office.

The minutes of the meeting can be found under legal documents.

The trustees advised that they are of the opinion that a risk of danger of contribution will exist in the short term and will potentially become a permanent dilemma if recoveries interalia below is not achieved.

4)The Trustees are proceeding to convene the second meeting of creditors a.s.a.p. in order to:

-Report to creditors the current status of the administration.

-Requesting resolutions to be adopted by creditors/The Master of the High Court for the effective administration of the estate.

The report will be placed on the BHI Trust website when available.

5)The section 152 Enquiry is continuing 12 April.

Currently the main purpose of the enquiry is to obtain information as to how creditor's money was dealt with, to identify further transaction/s that needs to be set aside in accordance with the applicable law/s and the collection of assets/funds due to the trust.

6)As per our advises in the Third Circular, the trustees are now in a position to send letters of demand to creditors who benefitted from payments from 25 April 2023 to date.

The initial indication is that the amount that these creditors got a preference over other creditors is exceeding R 300 Million .In order to attempt to avoid costly litigation creditors who received payouts from the Trust for the period 25 April 2023 to date are invited to liaise with the trustees directly.If a creditor is so inclined to engage the trustees, they can address correspondence to the trustees at:

S29@insolventbhi.com

7)Pending Legal Proceedings:

-A S69 Search and Seizure on application by the Trustees was executed at the premises of Global&Local. The documentation/information seized is currently a point of discussion between the legal team of the trustees and the legal team of Global &Local.

-The order for sequestration of Mr C Warrinner was made final on 29 February 2024

-The order for the final liquidation of BHI Holdings Pty Ltd has been postponed to May 2024.

-The order for Liquidation of Amalgum Investments 108 Pty Ltd was made final on 6 March 2024.

8)Legal proceedings currently being considered:

-Declaring the BHI Trust an illegal Scheme.

-Setting aside transaction/s as contemplated in terms of S 29 Of The Insolvency Act.

-Setting aside transaction/s as contemplated in terms of S 30 Of The Insolvency Act.

-Further S 69 Search and Seizure application/s.

9)Creditors should note that the trustees (as mentioned in paragraph 1 above) is of the opinion that a contribution will currently be levied against creditors until such time that sufficient recoveries are made for the benefit of creditors and in order to curtail for administration costs. Creditors' claims will again be presented for proof on the second meeting of creditors. Claim/s proven against the estate can be withdrawn by the creditor/s as contemplated in terms of Section 51 Of the Insolvency Act. Claim/s that has a clear contribution instruction on the claim will not be tendered at the second meeting of creditors.

In the alternative and when so authorised, the trustees will admit creditors' claims as contemplated in terms of S 78(3) of the Act. Creditors can however advise the trustees in writing within 7 days of admission of the claim that the claim is abandoned by the creditor.

Yours faithfully.



JOINT TRUSTEE.