



The  Factor in the Fashion Industry

CUSTOM DESIGNED  LOCALLY MANUFACTURED  QUALITY DELIVERED

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**FASHION X MANUFACTURING (PTY) LTD
(REGISTRATION NO: 2017/44376/07)
IN BUSINESS RESCUE
(Hereinafter referred to as "the Company")**

TO CREDITORS, EMPLOYEES AND SHAREHOLDERS

**NOTICE OF THE BUSINESS RESCUE PLAN MEETING IN TERMS OF SECTION 150 AND 151 OF THE
COMPANIES ACT 2008**

1. All Affected Persons were notified that a meeting of Creditors and Shareholders will be held on **27 October 2020** at **10h00** for the purpose of considering and voting on the proposed Business Rescue Plan published on 16 October 2020.

2. The meeting venue and virtual link details are as follows :
 - 2.1 Venue : Cascades Room
Blue Waters Hotel
175 Snell Parade
North Beach
Marine Parade
4056

 - 2.2 Virtual meeting contact details :
Join Zoom Meeting
<https://us02web.zoom.us/j/83482586032?pwd=TIJtc09nWkx3U2I5dDd2c1Zucm1U>
[T09](#)
Meeting ID: 834 8258 6032
Passcode: 962009

3. The complete Business Rescue Plan (the “Plan”) was transmitted by e-mail to all affected persons on 16 October 2020. The complete Business Rescue Plan can be found on the FXM website on the following link : <http://www.b-insolve.co.za/fashionx.htm>.
4. Due to the COVID restrictions and the holding of meetings, the meeting will take place over a number of hours to allow for the casting and collating of votes.
5. Voting day Time Line

10h00	Meeting opened at Venue and virtually Plan Presentation
10h45	Questions
11h00	Meeting closed Electronic & in person voting by Creditors on Plan & Remuneration Agreement
12h30	Voting closes Shareholders meeting at Venue
13h00	Voting results announced - virtually - on website
NOTE: All voting slips to be returned to vanessa@b-inc.co.za	

6. Please note that the agenda and purpose of the meeting is to: -
- 6.1 present the Business Rescue Plan;
- 6.2 inform the meeting whether or not the Business Rescue Practitioner continues to believe that there is a reasonable prospect of rescuing FXM;
- 6.3 provide employees and/or their representatives with an opportunity to address the meetings should they so wish;

- 6.4 invite discussions, and entertain and conduct a vote, on any motions to (i) amend the Business Rescue Plan, in any manner moved and seconded by holders of creditors' voting interest (and satisfactory to the Business Rescue Practitioner); or (ii) adjourn the meeting, in order to revise the Business Rescue Plan for further consideration, being a date other than 27 October 2020;
- 6.5 thereafter the BRP will call for a vote by Creditors for preliminary approval of the Plan, as amended if applicable and to vote on the Remuneration Agreement. The Meeting will be adjourned for voting by Creditors in person and virtually on the Plan and the Remuneration Agreement. Voting will close at 12h30;
- 6.6 the Plan will be approved on a preliminary basis if it is supported by the holders of more than 75% of the Creditors' voting interest that are voted and the votes in support of the Plan includes at least 50% of the independent Creditors' voting interests, if any, that are voted;
- 6.7 if the Creditors approve the Plan on a preliminary basis and the Remuneration agreement, the Shareholders meeting will take place at 12h30 at the Venue to vote on the Plan and confirm their vote on the Remuneration Agreement;
- 6.8 if the majority of the voting rights of the Shareholders that were exercised support adoption of the Plan, the Plan will be finally adopted, subject to satisfaction of any conditions on which the Plan is contingent;
- 6.9 if the majority of the voting rights of the Shareholders that were exercised oppose adoption of the Plan, the Plan is rejected and may be considered further only in terms of section 153 of the Act;
- 6.10 if the Plan is approved by the Creditors and the Shareholders and the Creditors approve the remuneration agreement, which the Shareholders have agreed to in the signed remuneration agreement, the remuneration agreement will become final and binding on the Company;

6.11 at 13h00 on 27 October 2020 the voting results for the Plan and Remuneration Agreement will be formally published on the website: <http://www.b-insolve.co.za/fashionx.htm>;

6.12 if the Plan is adopted, it is binding on the Company and on each of the Creditors and every Shareholder, whether or not such a person was present at the Meeting, voted in favour of the adoption of the Plan or, in the case of Creditors had proven their claim against the Company.

7. In accordance with Section 145(4) of the Act, a creditor [including any employee who is a creditor in terms of Section 144(3)(f)] is entitled to vote as follows :-

7.1 a secured or unsecured creditor has a voting interest equal to the value of the amount owed to that creditor by FXM on the date of the meeting;

7.2 there are no subordinated creditors claims.

8. The essential terms of the Plan can be found in paragraph 13 on pages 13 to 15 of the Plan.

9. Amendments to the Published Plan

The proposed amendments to the Plan are annexed hereto marked "A". The amendments are not material other than the payment dates of the 3 distributions to the Creditors have changed. The amended payment dates are :

7 December 2020

15 January 2021

28 February 2021

10. The effect of the Business Rescue Plan on the following Affected Persons, are as follows :

10.1 Creditors

Secured Creditors' claims will not be affected. Unsecured Creditors will receive a dividend of 31.6 cents in the Rand over a 3 month period, between December 2020 and February 2021. A period of less than 6 months from the Commencement Date of the Business Rescue process.

10.2 Employees

10.2.1 Those employees of the Company who were employed at the Commencement Date will continue their employment with the Company.

10.3 Shareholders

10.3.1 The Company's present Shareholders whose shareholding is as follows :

Unity	20%
Sawers	40%
Chapman	40%

shall be obliged to sell their shares or part thereof at par value.

10.3.2 After the adoption of the Plan the Shareholding shall be as follows :

Sawers	25%
Chapman	25%
DCI	50%

11. Voting

Affected Persons who are not attending the meeting in person, are requested to complete the Proxy form and the Ballot Forms.

The Proxy form is to be returned by 16h00 on 26 October 2020 to vanessa@b-inc.co.za

The Ballot form is to be returned as directed at the meeting to vanessa@b-inc.co.za

12. Neither this letter nor the Plan should be considered to be legal advice. Affected persons should seek independent legal advice in respect of their claim and their rights.

13. The following documents are attached:

13.1 Proposed Amendments to the Plan – Annexure “A”

13.2 Proxy Form for Creditors – Annexure “B”;

13.3 Ballot Form for purposes of voting for the Plan (as amended) and the Remuneration Agreement at the meetings for Creditors – Annexure “C”;

The Proxy and Ballot forms for Shareholders will be sent directly to the 3 shareholders.

Pierre de Villiers Berrangé

Business Rescue Practitioner

Date : 21 October 2020