



**SALVIS
GRATIA**

Business Rescue
Turnaround & Analytics

www.sgturnaround.co.za info@sgturnaround.co.za 082 735 3761

6th December 2023

Dear Affected Persons

Per Email

**GERARDO TRADING CC
(REGISTRATION NUMBER: 2000/058226/23)**

**STATUS REPORT IN TERMS OF SECTION 132(3) OF THE COMPANIES ACT 71
OF 2008 FOR THE MONTH OF OCTOBER**

1. In accordance with section 132(3) of the Companies Act 71 of 2008, as amended ("Act"), when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to
 - 1.1. prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
 - 1.2. deliver the report and update to affected persons and to the Companies and Intellectual Property Commission ("CIPC")
2. Accordingly, we hereby provide you with the 3rd Status Report, being the November 2023 report, on the status of the Company's business rescue proceedings
3. *Trading Activities* Gerardo Trading is actively engaged in trading operations. The company continues to receive orders from customers on a constant basis, and we are fulfilling these orders to the best of our abilities, depending on the availability of inventory. Our commitment to maintaining operational efficiency remains unwavering, ensuring that customer commitments are met.
4. *Cashflow Challenges* Despite our efforts in fulfilling customer orders, Gerardo Trading is facing challenges in cashflow management, particularly in procuring the necessary raw



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materials. The liquidity constraints have posed hurdles in maintaining smooth production processes.

5. *Negotiations With Potential Investor* Negotiations with potential investor as at publication of business rescue plan were underway, however as at today the company has received no commitment from the investor and timeframes within the purchase agreement have lapsed.
6. *Business Rescue Plan Publication* The business Rescue plan was published on the 31st of October whereby a revised plan was published on the 28th November 2023, amendments to the plan were published on 4th December 2023.
7. The *Section 151* meeting was convened and presided by the business rescue practitioners on the 5th December 2023. The business rescue plan was voted on and adopted in the meeting.
8. *Business Rescue plan* The business rescue plan is based on Option A, a sellout scenario where the company is sold either in part or in whole before the end of February 2024, should this not materialize the plan provides for Option B where the moveable and immoveable property of Gerardo Trading will be auctioned.
9. The Company is currently being marketed with Aldes business brokers.
10. Business Rescue plan and notices are available on the company's website.

In conclusion, Gerardo Trading's business rescue process is actively underway, and we remain steadfast in our commitment to navigating these challenges.

Yours Faithfully