

BONDPRO FINANCE (PTY) LTD**SWORN STATEMENT**

(In support of a Notice Beginning Business Rescue Proceedings)

I, the undersigned

DAVID HERCULAS BOTHA
IDENTITY NUMBER: 530903 507 908 6

do hereby make oath and say:

- 1 I am a director of Bondpro Finance (Pty) Ltd ("the Company") with registration number 2002/027232/07 and business address at Ground Floor, Six on Quantum, 6 Quantum Street, Technopark, Stellenbosch.
- 2 The contents of this sworn statement are true and correct and, unless stated otherwise, the facts contained herein fall within my own personal knowledge and belief.
- 3 I make this sworn statement in support of the Company's notice to commence business rescue proceedings as contemplated in terms of section 129 of the Companies Act 71 of 2008 ("the Act").
- 4 On 3 March 2014 I as only director of the Company resolved that the Company voluntarily commence business rescue proceedings as envisaged in terms of the Act. The resolution will be filed together with this sworn statement.
- 5 The relevant facts upon which the resolution were founded include:
 - 5.1 The Company's main business is that of an originator of loans for clients who do not qualify for a mortgage loans from a main stream financial institutions, due to their over indebtedness or due to impairment to their credit record. Bondpro, as service provider then aims to achieve the

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rehabilitation of the clients with the intention to eventually place the loans back with a main stream financial institutions or banks.

- 5.2 The Company receives its funding from outside funders and in terms of origination and management agreements, the claims in respect of the Company's loan agreements with its clients are ceded to the funders special purpose vehicle entities prior to the advancement of the loan.
- 5.3 One of the previous funders of the Company, now in liquidation, has instituted an action against the Company claiming an amount of R60 383 370.72 (Sixty Million Three Hundred and Eighty Three Thousand Three Hundred and Seventy Rand and Seventy Two Cents).
- 5.4 Further to the aforementioned one other creditor has made an arrangement with the Company for the recovery of the amount of approximately R36 000 000.00 (Thirty Six Million Rand).
- 5.5 The Company has further creditors in the amount of approximately R6 000 000.00 (Six Million Rand).
- 5.6 The Company derives its income from service fees and furthermore does not have substantial assets.
- 5.7 Due to the nature of the Company's business the claim against the Company as per 5.3 was disclosed to funders, who immediately stopped further funding.
- 5.8 The Company requires time in order to restructure its affairs, debt and equity so that the creditors of the Company are afforded maximum benefit.
- 5.9 The Company is therefore financially distressed as envisaged in terms of the Act.
- 5.10 Funding from sources such as shareholder loans and loans from the company's financiers has ceased or is about to cease.
- 5.11 The Company is faced with the situation where it needs to realise its assets or to procure further funding to best effect and to negotiate with its



creditors which process will be best achieved under business rescue proceedings as envisaged in terms of the Act.

- 6 Accordingly and as envisaged in terms of the Act the Company is reasonably unlikely to be able to pay all its debts as they become due and payable within the immediately ensuing six months and/or the Company is reasonably likely to become insolvent within the immediately ensuing six months and is therefore "financially distressed" as defined in the Act.
- 7 There appears, in the opinion of the board of directors, to at least be a reasonable prospect that creditors will directly benefit from the Company being afforded additional time to realise its assets to best effect.
- 8 Business rescue will allow the Company to realise its assets, procure additional funding or to achieve a compromise or come to an arrangement acceptable to its creditors and other stakeholders.
- 9 The Business Rescue process will allow for:
 - 9.1 The temporary supervision of the Company, and for the management of its affairs, business and property;
 - 9.2 A temporary moratorium on the rights of claimants against the Company or in respect of property in its possession;
 - 9.3 The development and implementation, if approved, of a plan to realise the Company's assets will result in a better return for the Company's creditors or shareholders than would result from the immediate liquidation of the Company.
10. The Company will ensure the publication of this Sworn Statement and compliance with all statutory requirements for Business Rescue envisaged by the Companies Act.


DAVID HERCÚLAS BOTHA



I certify that:

- I the deponent acknowledged to me that:
- (a) he knows and understands the contents of this declaration;
 - (b) he has no objection to taking the prescribed oath;
 - (c) he considers the prescribed oath to be binding on her conscience;
- II the deponent thereafter uttered the words "I swear that the contents of this declaration are true, so help me God";
- III the deponent signed this declaration in my presence at the address set out hereunder on this the 3rd day of March 2014.


COMMISSIONER OF OATHS

JEAN PETRUS KOTZE
PRAKTISERENDE PROKUREUR
MURKERVILLE
33 QUEENSTRAAT
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