

SWORN STATEMENT

In support of

Notice Beginning Business Rescue Proceedings
in respect of CORLEO INVESTMENT HOLDINGS (PTY) LTD

Registration number:
2002/030344/07
("THE COMPANY")

AFFIDAVIT

I, the undersigned,

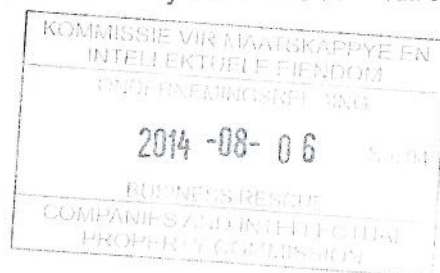
LINCOLN VUMILE (JAMES) NGCULU
IDENTITY NUMBER: 550827 5743 08 3

do hereby make oath and state as follows:

1. I am an adult male and a director of the Company (Pty) Limited. I am duly authorised to make this affidavit on behalf of the Company.
2. The facts deposed to herein falls in my personal knowledge and belief unless the contents indicates otherwise.
3. I confirm that the board of the Company adopted the resolution, attached hereto, marked "A" in terms of Section 129 (1) of the Companies Act 71 of 2008 ("the Act"), in terms whereof the board resolved to voluntarily place the company under business rescue proceedings in terms of Section 129 (1) the Act ("the resolution").
4. The board has proceeded to do as such on the grounds that:



- 4.1. The Company is financially distressed in that its liabilities at present, exceed its assets and as it appears to be reasonably unlikely that the company will be able to pay all of its debts as they become due and payable within the ensuing six months.
- 4.2. I have been advised that Section 129 (7) of the Act imposes an obligation upon the board of directors of a company to adopt a resolution contemplated in Section 129 (1) of the Act referred to in paragraph 3 above when the board has reasonable grounds to believe that the company is financially distressed which it is based on what is contained in paragraph 4.7 below.
- 4.3. I have previously deposed to two sworn statements in compliance with Section 129 (3) (a) of the Act during July 2014 and I have further been advised that the Companies and Intellectual Property Commission ("the Commission") refused to "accept" the previous sworn statements for "lack of compliance" with the "Deoland Judgement". Pursuant to legal advice obtained I hereby state that the Commission cannot prevent the Board of directors from carrying out the duty as imposed upon them in terms of Section 129 (7) of the Act as alluded to in paragraph 4.2 above.
- 4.4. I further state that I have been advised that the Commission does not have the power to insist upon a sworn statement being filed with the Commission together with the resolution contemplated in Section 129(1) of the Act as the Act clearly provides in Section 129(3)(a) that the sworn statement must accompany the notice of affected persons in terms of Section 129(3)(a) after the adoption and filing of the resolution in terms of the Section 129(2) of the Act.
- 4.5. The company's affairs are inextricably intertwined with those of the Basileus Group which caused some eleven companies to be placed in business rescue during 2012.
- 4.6. I was a substantial investor in the Basileus Group and had a close professional relationship with its founder and chief executive, the Late Mr Julian Williams. Mr Williams was tragically murdered by Mr Herman Pretorius, who then committed suicide, on 26 July 2012. This led to the collapse of the Basileus Group mentioned above including this company.
- 4.7. As a consequence of this company and other companies of which I am a director became financially distressed as result as substantial liability to the



South African Revenue Services pursuant to transactions entered into between these companies and the Basileus Group.

- 4.8. There is pending legal action as a Notice has now been received from SARS threatening with legal- and enforcement action within days and the refusal by the Commission to previously "accept" filing of the resolutions during July 2014 may lead to damages which may become irreversible should the Commission persist with its refusal to accept the filing of the resolution placing the company under business rescue.
- 4.9. The Company's board has appointed a Business Rescue Practitioner ("the practitioner"). The practitioner, after having investigated the Company's affairs, will consult with creditors and other affected persons, as defined in the Act, and will prepare a business plan that will maximise the likelihood of the Company continuing in existence or, if it is not possible for the company to so continue in existence, results in better return for the Company's creditors than would result from the immediate liquidation of the Company.
- 4.10. There is a reasonable prospect of the practitioner engaging with SARS with a view to entering into a compromise and the developing and publishing a business rescue plan to rescue the Company by restructuring its affairs, business, property, debt and other liabilities.



LINCOLN VUMILE NGCULU

I hereby certify that the deponent has indicated that he knows the contents of this Affidavit which was signed and sworn to before me at SEA POINT on 26th August 2014, the regulations contained in Government Gazette Nos. R1258 of the 21st July 1972, and R1648 of 19th August 1977, as amended having been complied with.



COMMISSIONER OF OATHS

