
SWORN AFFIDAVIT IN SUPPORT OF APPLICATION FOR
JENNI BUTTON (PTY) LTD
TO BE PLACED IN BUSINESS RESCUE BY DIRECTOR'S RESOLUTION
IN TERMS OF SECTION 129 OF THE COMPANY'S ACT, ACT 71 OF 2008

I, the undersigned,

MARCEL PHILIP JOUBERT

do hereby make oath and say that:

1. I am an adult businessman, a director of Jenni Button (Pty) Ltd (hereinafter the Applicant or the Company) with Reg. Nr: **1997/009010/07** and business address Hemingways Shopping Centre, Western Avenue, EAST LONDON, Eastern Cape.
2. I am duly authorised to depose to this affidavit on behalf of the Applicant.
3. The facts contained herein are, save where it appears otherwise from the context, within my own personal knowledge and are both true and correct. I accordingly swear positively thereto.



4. Where I make any legal submissions and / or conclusions herein I rely upon the advice as provided to me by my legal representatives.
5. The Applicant is duly registered and incorporated in terms of the laws of the Republic of South Africa, having its registered address at **901** Broadway Centre, Hertzog Boulevard, Foreshore CAPE TOWN, Western Cape.
6. I make this sworn statement in support of the Company's notice to commence business rescue proceedings as contemplated in Section **129** of the Companies Act, Act **71** of **2008**, hereinafter "the Act".
7. On the **25th AUGUST 2015** at a meeting of the directors of the Applicant it was resolved that the Company be placed into business rescue as envisaged in section **129** of the Act. The Resolution will be filed with this sworn statement.
8. The Applicant is in financial distress as it appears to be reasonably not likely that the Applicant will be able to pay its debts as they become due and payable within the immediate ensuing period.
9. In the exercise of the functions and duties as director and acting in the best interest of the Applicant I decided to appoint Jacques

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du Toit and JF Klopper, licensed Senior Business Rescue Practitioners in terms of Sec **138** of the Company's Act to act as Joint Business Rescue Practitioners for the Company.

10. The relevant facts upon which the resolution was founded are as follows:

10.1. The company is part of what is loosely known as the Platinum Group and have been operating for more than **30** years since **1984** when the CEO and founder Marcel Joubert began selling t-shirts on UCT campus to fund his way through university.

10.2. This embryonic start-up grew directly into what is currently the broader Platinum Group and was then accelerated by **10 - 15** strategic acquisitions over the ensuing years.

10.3. The group owns and operates company-owned stores in leading shopping centres across the country.

10.4. Personal factors in the founders lives throughout **2012** (six months of temporary auto-immune disease and **six** months of overseas orthopaedic surgery) severely disrupted continuity of flows into **2013** resulting in significant losses for mid-**2013** in particular.

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- 10.5. These factors were strongly stabilised in **2014** but the working capital lost during **2013** means the business is now under-capitalised for the size of current operations. All stock is highly saleable "core" product with proven track record in store.
11. Even though the directors are actively pursuing ways and means of restructuring the business, implementing a recovery strategy will take **6** to **12** months and putting the company into business rescue at this stage is the only plausible answer.
12. The Company are faced with legal actions / applications by its major bankers and suppliers, summonses have been served and Applications have been made for Summary Judgments.
13. Accordingly, and as envisaged in terms of the Act, the company is reasonably not likely to be able to pay all its creditors as they become due and payable within the immediate ensuing **6 (six)** months, and is therefore "financially distressed" as defined by the Act.
14. There appears, in the opinion of the directors, to at least be a reasonable prospect that creditors will directly benefit from the company's re-structure and recapitalisation.

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15. After investigating the affairs of the company, the business rescue practitioner will be able, if necessary, to restructure the business so as to cater for any offensive aspects thereof.

16. The business rescue process will allow for:
 - 16.1. The temporary supervision of the company, and for management of its affairs;

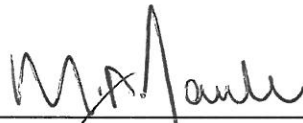
 - 16.2. A temporary moratorium on the rights of claimants against the company;

 - 16.3. The development and implementation, if approved, of a plan to rescue the company by restructuring its affairs and business, liabilities and equity in a manner that maximizes the likelihood of the company continuing in existence and / or results in a better return for the company's creditors, than would result from the immediate liquidation of the company and will be beneficial to all stake holders; and

 - 16.4. Restoring the company to a position where it is able to continue in existence, on a solvent basis.

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17. It is accordingly the Director's view that the Business rescue of the Applicant, as foreshadowed above, would be in the best interest of the Applicant, its creditors and employees.
18. Based on the foregoing, I, as a director of the company, and as appears from the resolution and the CIPC Form **123.1**, to which this affidavit is annexed, has determined that it would be in the best interest of the company and its creditors to be placed under business rescue, with immediate effect.




MARCEL PHILIP JOUBERT

The deponent has acknowledged to me in my presence that he:

- (a) knows and understands the contents of this affidavit;
- (b) has no objection to taking the prescribed oath;
- (c) considers the prescribed oath to be binding on his conscience;
- (d) Uttered the words: "*I swear that the contents of this declaration are true, so help me God*"

Signed and sworn to before me at **CAPE TOWN** on this **25th** day of **AUGUST 2015**



COMMISSIONER OF OATHS
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