

**SWORN STATEMENT**

In support of a Notice Beginning Business Rescue Proceedings

in respect of **ANNO LOUSI CC**

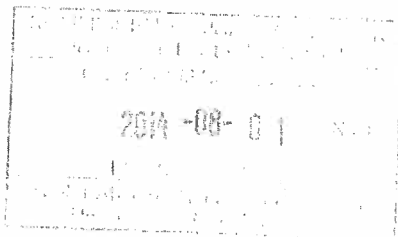
(Registration Number 1999/013174/23)

I, the undersigned

**ANDREAS PAPAVALOPOULOS**

do hereby make oath and say:

- 1 I am the managing member of Anno Lousi CC ("the Corporation") with registration number 1999/013174/23 and registered address at corner of Link and Parklands Main Road, Parklands, Tableview 7441.
- 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 Corporation'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 23 July 2014, the members of the Corporation resolved that the Corporation voluntarily commence business rescue proceedings as envisaged in terms of the Act. The resolution will be filed together with this sworn statement.



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- 5 The relevant facts upon which the resolution were founded include: —
- 5.1 The Corporation has recently established a new business trading as Food Lover's Market involved in the supply of various foods including inter alia fresh fruit and gourmet foods as well as a general grocery supplier. ✓
- 5.2 As a result of a number of factors the Corporation is financially distressed as envisaged in terms of the Act. The factors that have contributed to this include inter alia the following: ✓
- 5.2.1 the corporation commenced trading as a Food Lover's Market from a recently developed shopping precinct which still requires time to draw, attract and build up a customer base; ✓
- 5.2.2 the costs involved in creating, setting up and fitting out the business premises and the related costs; ✓
- 5.2.3 prevailing economic circumstances; ✓
- 5.2.4 the vast staff complement of the business; ✓
- 5.2.5 the franchise costs involved in trading as a Food Lover's Market store; and ✓
- 5.2.6 various suppliers including the butchery supplier and the franchise have refused to supply the Corporation with stock due to the non-payment and/or late payments. ✓
- 5.3 As a result of the aforesaid factors, the Corporation's projected cash flow was negatively affected with the result that the Corporation is unlikely to be able to meet its current liabilities and in particular it is and will not be able

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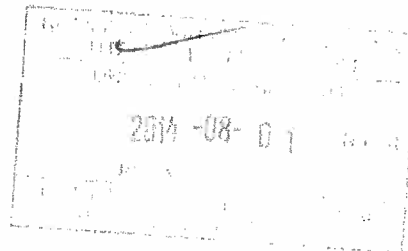
to meet the monthly franchise payments due to Fruit & Veg Holdings (Pty) Limited. The members of the Corporation are not in a position to provide further finance to the Corporation.

5.4 The Corporation is faced with a situation where it is forced to restructure and reorganise its financial affairs and negotiate such restructuring with its creditors which process will be best achieved under the umbrella of business rescue proceedings as envisaged in terms of the Act.

6 Accordingly, and as is envisaged in terms of the Act, the Corporation's reasonably unlikely to be able to pay all its debts as they become due and payable within the immediately ensuing 6 month and/or the Corporation's reasonably likely to become insolvent within the immediately ensuing 6 months and is therefore "financial distressed" as defined in the Act.

7 The Corporation is involved in litigation as set out hereunder in that the following creditors have obtained judgment against the Corporation for the amounts set out and under the case numbers as reflected:

7.1	Tombake	R89 090.41	8610/14
7.2	Linly Dry Wall	R57 030.29	AAO/q/1/LD
7.3	Subcolex	R21 318.00	6421/2014
7.4	Vector Logistics	R94 747.16	5926/14
7.5	Rialto Foods	R95 483.46	8750/14
7.6	Introdeals	R40 781.72	10264/14
7.7	Fish on Line	R45 000.00	5957/14



8 There appears in the opinion of the members, to be a reasonable prospect of rescuing the Corporation via business rescue proceedings. Business rescue

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will allow the Corporation to reorganise its affairs in order that the Corporation can trade out of its current situation or achieve a compromise or come to an arrangement acceptable to its creditors and other stakeholders.

9 There are prospects to rescue the Corporation, more particularly:-

9.1 The Corporation's Food Lover's Market is entering a very successful seasonal trading special, which draws a vast number of consumers to the store;

9.2 the festive season, which is the main trading period for the year, particularly in the foods supply and retail industry;

9.3 The Corporation is trading under a well-established and favoured brand, namely the Food Lover's Market brand, and therefore can rely on customers by virtue of the brand loyalty;

9.4 A new ring road has recently opened stretching passed the Food Lover's Market, which will undoubtedly draw new customers;

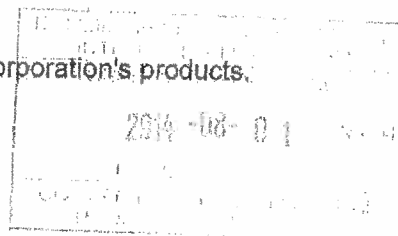
9.5 The current economic circumstances are not necessarily enduring in nature; and

9.6 There is still substantial demand for the Corporation's products.

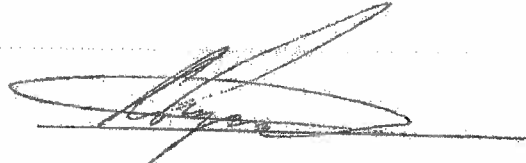
10 The business rescue process will allow for:-

10.1 The temporary supervision of the Corporation, and for the management of its affairs, business and property;

10.2 A temporary moratorium on the rights of claimants against the Corporation or in respect of property in its possession;



- 10.3 The development and implementation, if approved, of a plan to rescue the Corporation by restructuring its affairs, business, property, debt, securities and other liabilities, and equity in a manner that maximises the likelihood of the Corporation continuing in existence, should result in a better return for the Corporation's creditors or shareholders than would result from the immediate liquidation of the Corporation.

  
 ANDREAS PAPAVASILOPOULOS

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 01 day of August 2014.

  
 COMMISSIONER OF OATHS

**MONIQUE ANASTASSIADES**  
 COMMISSIONER OF OATHS  
 PRACTISING ATTORNEY R.S.A.  
 DE ABREU & COHEN INC  
 UNIT 2, 42 BLAAUBERG ROAD  
 TABLE VIEW, 7441

