

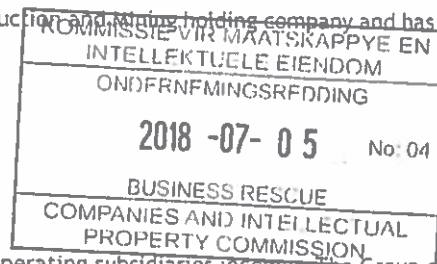
SWORN STATEMENT

In support of
a Notice Beginning Business Rescue Proceedings
In respect of Liviero Group (Pty) Limited

We/I, the undersigned
Luca Giovanni Liviero

do hereby make oath and say:

1. The contents of this sworn statement is true and correct and unless stated otherwise the facts contained herein fall within my own personal knowledge and belief.
2. 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 71 of 2008.
3. On 4th July 2018, the directors of the company resolved that the Company be voluntarily placed into business rescue as envisaged in section 129 of the Companies Act 71 of 2008. The resolution will be filed evenly with this sworn statement.
4. The relevant facts upon which the resolution was founded are:
 - a. The Liviero Group (Pty) Ltd is a Construction and Mining holding company and has the following subsidiaries :
 1. Liviero Building (Pty) Ltd
 2. Liviero Civils (Pty) Ltd
 3. Liviero Mining (Pty) Ltd
 4. Liviero Plant (Pty) Ltd
 5. Liviero Energy (Pty) Ltd
 - b. The Group is totally dependent on it operating subsidiaries income. The Group does not generate its own external revenue.
 - c. Due to the Group's exposure to Government projects, Liviero Civils (Pty) Ltd, in particular have an amount in excess of R81 million overdue by its Government clients.



These late and often non-payments have had an adverse effect on Liviero Group's ability to recover its Group charges such as plant hire and other costs. This amount is in excess of R24 million.

- d. Although legal proceedings have been instituted via the courts to recover the aforementioned monies from Government departments, these amounts remain unpaid.
 - e. Liviero Mining (Pty) Ltd has experienced severe work stoppages in the past several months due to industrial action, community unrest and Section 54's (through no fault of their own). The loss in revenue due to the aforementioned is approximately R45 million.
 - f. With a shortfall in revenue and operating on a fixed cost base, Liviero Group in turn have not received its full quantum of overhead recovery and fixed monthly costs to cover the asset based finance. The Liviero Group has currently not honoured its financial obligations to its instalment sales and finds itself in breach of the respective instalment sale agreements.
 - g. The company does not foresee any significant change in the immediate recoupment of its "Group fees/charges".
 - h. The Group is currently in the process of re-structuring its financial obligations.
5. There appears, in the opinion of the directors, to be a reasonable prospect of rescuing the Company via business rescue proceedings. Business rescue will, it is hoped, allow the Company to reorganise its affairs so that the Company can innovate and grow.


DEPONENT

I hereby certify that the deponent has acknowledged that he knows and understands the contents of this affirmation, which was signed and sworn before me at JHB on the 04th of JULY 2018, the regulations contained in Government Notice No. R1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.


COMMISSIONER OF OATHS

SHARON GRACH
CC

