

**SWORN STATEMENT**  
In support of  
**a Notice Beginning Business Rescue Proceedings**  
In respect of **Esor Uitvlugt (Pty) Limited**  
I, the undersigned

Wessel Cornelius van Zyl

do hereby make oath and say:

1. I am a South African citizen and a director of Esor Uitvlugt (Pty) Limited ("the Company") with registration number 2012/182693/07 and with business address at 30 Activia Road, Activia Park, Germiston, 1492.
2. I am duly authorised to depose to this sworn statement and 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.
3. I was duly appointed as a director of the Company on 16 April 2013.
4. 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 ("the Act").
5. On 14 November 2018, the directors of the company unanimously resolved that the Company be voluntarily placed into business rescue as envisaged in section 129 of the Act. The resolution will be filed evenly with this sworn statement.
6. The Company's main business is that of a property development company and the relevant facts upon which the resolution was founded are:
  - 6.1. On or about 30 November 2018, payment of R4,000,000.00 (Four million rand) in terms of a Heads of Agreement entered into on or about 18 March 2013 is due and payable to Investec Bank Limited;
  - 6.2. According to the Company's latest Management accounts, read with its Annual Financial Statements for the year ended on 28 February 2018, the Company does not have the funds available to honour the payment as the assets are illiquid in the form of land held for development and a credit loan account to Esor Construction (Pty) Ltd;
  - 6.3. The inability of the company to finalise and secure the sale of the shares over the last 9 to 12 months and finally the non-compliance of the prospective purchaser with paying the deposit in terms of the suspensive conditions in the sale of shares agreement has resulted in Esor Uitvlugt not being able to service the immediate cash demands;
  - 6.4. The uptake in the property market in the Vereeniging district has been extremely slow and although various feasibility studies has been undertaken, there is currently not adequate demand to implement the development using external funding.
7. In order to mitigate the negative effects of the above, the directors have implemented various strategies to ensure that the company are able to meet the Company's obligations as and when they fall due. These include:
  - 7.1. Ensuring that adequate security is provided to Investec to cover the risks of the development;

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- 7.2. These guarantees has been called on and we are led to believe that Lombard Insurance Company has made a payment of R10,000,000.00 (Ten million rand) that will in all likelihood be a further claim against the company;
- 7.3. Negotiations to dispose of the certain development land but with no success.
8. Regrettably, Esor Uitvlugt will thus be unable to make payment of debts as the fall due in the foreseeable future, as the sale agreement has lapsed.
9. Pursuant to having obtained the prerequisite legal and accounting advice, the Board determined that Esor Uitvlugt (Pty) Limited was or would be facing circumstances constituting "financial distress" within the meaning of the Act.
10. As a result, the Board of the Company concluded that the Company is "financially distressed" as defined in section 128 of the Act as it 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 that it has commenced with voluntary business rescue proceedings as provided for by section 129 of the Act.
11. There appears, in the opinion of the Directors, to be at least be a reasonable prospect that Investec and other creditors such as Lombards CR82 million, will directly benefit from the Company being afforded additional time to restructure its affairs, business, property, debt, other liabilities and equity in a manner that maximises the likelihood of the Company continuing in existence on a solvent basis. Business rescue will, it is hoped, allow the Company to reorganise its affairs so that the Company can innovate and grow.

W.C VAN ZYL

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 Germiston on the 17th of November 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.

**JAN HARM STEENKAMP**  
 Commissioner of Oaths  
 Chartered HR Professional (CHRP)  
 Member number: 10615  
 30 Activia Road  
 Activia Park  
 Germiston, 1401



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