

**SWORN STATEMENT**

**In support of  
a Notice Beginning Business Rescue Proceedings  
in Respect of TSK Bartlett (Pty) Ltd**

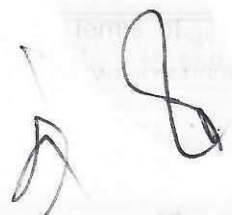
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I, the undersigned

**Richard Henry Bartlett**  
(Identity Number: 571031 5102 086)

do hereby state as follows -

- 1 I am a Director and Chief Executive Officer of TSK Bartlett Proprietary Limited (Registration Number: 2000/029267/07) ("**the Company**"), a company with limited liability which has its registered address and principal place of business at 2398 Albertina Sisulu Road, Maraisburg, Roodepoort, Johannesburg, 1700.
- 2 I am duly authorised to depose to this sworn statement of behalf of the Company.
- 3 The facts contained herein were presented to the Company's board of directors on or about 7 September 2022, and which I believe to be true and correct.
- 4 This Sworn Statement is made by me on behalf of the Company to support the commencement of business rescue proceedings ("**Business Rescue**") in terms of Section 129 of the Companies Act, 71 of 2008 ("**the Companies Act**").
- 5 With this Sworn Statement, I intend to provide the relevant information that is required to demonstrate that the Company should be placed in Business Rescue.



6 The information contained in this Sworn Statement and the opinions expressed in the Sworn Statement relate to the financial difficulties of the Company and how the Company can -

6.1 be rescued and continue as a going concern as an alternative to liquidation; or, if that won't be possible

6.2 pay a higher dividend to its creditors than which would become payable to creditors if the Company were to be liquidated.

### **FINANCIAL DISTRESS**

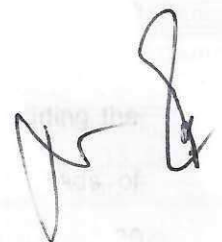
7 The Company has been operating within the construction industry for more than 20 years.

8 As of 10 July 2022, the Company has made an aggregate loss of approximately R 16,141,542.00, largely as a result of fewer profitable projects due to the economic downturn, escalating costs (due in no small part to the war in Ukraine) including the costs of materials, and theft of materials on site, net unrecovered overheads of R 16,646,462.00, and additional unrecoverable costs on projects of R32,500,000.00.

9 As of 30 July 2022, the Company's liabilities exceeded its assets by R34,927,663.00.

10 The Company has an ongoing working capital shortfall and has exhausted all forms of shareholder and external funding previously available to it.

11 The Company is further in the process of closing out several contracts which involves a number of claims and counterclaims which must still be negotiated and finalised in the



normal course of business. It is uncertain what financial outcome such negotiations will yield for the Company.

- 12 No legal proceedings have, as yet, been instituted against the Company, although the Company has received several letters of demand.
- 13 The Company is therefore financially distressed, within the meaning of Section 128 of Chapter 6 of the Act, in that, *inter alia* –
  - 13.1 the company is factually insolvent on its balance sheet (in terms of Section 128(1)(f)(ii) of the Companies Act);
  - 13.2 in its present circumstances, the Company is not able to raise sufficient working capital from third parties or from its shareholders, given the weakness of its balance sheet; and
  - 13.3 by reason of all the foregoing circumstances it appears reasonably unlikely that the company will be able to pay all of its debts as they fall due for payment within the ensuing six months (in terms of section 128(1)(f)(i) of the Companies Act).

#### **REASONABLE PROSPECT OF RESCUE**


- 14 Notwithstanding the above, the directors of the Company believe that there is a reasonable prospect of rescuing the business of the Company, if action is taken immediately and if the Company commences Business Rescue. If the Company is placed under supervision, initiatives can be taken by the business rescue practitioners, when duly appointed, to take the following steps -



- 14.1 imposing an immediate temporary moratorium on all payments to creditors in terms of Section 133 of the Companies Act;
  - 14.2 considering the possible suspension or cancellation of the Company's obligations in terms of Section 136(2) of the Companies Act;
  - 14.3 completing certain viable construction projects to reduce contingent liabilities;
  - 14.4 negotiating the sale of the Company's assets, or of its business or part thereof as a going concern, or the shares held in the Company to potential purchasers, at a value higher than in a liquidation and where certain employees of the company would most likely retain their jobs;
  - 14.5 continuous engagement with stakeholders to retain value in the Company's and its assets;
  - 14.6 a restructure of the debt of the Company with its creditors; and
  - 14.7 engage in discussions with various parties regarding post commencement financing and related terms.
- 15 Accordingly, the Company through its board of directors maintains that the Company is financially distressed, but that there remains a reasonable prospect of rescuing the company and, accordingly, that the Company needs to be placed in Business Rescue.

  
\_\_\_\_\_  
RICHARD HENRY BARTLETT

I certify that this affidavit was signed and sworn to before me at Lawson on this the 08 day of SEPTEMBER 2022, by the deponent who acknowledged that he knew and understood the contents of this affidavit, had no objection to taking this oath, considered



this oath to be binding on her conscience and uttered the following words: 'I swear that the contents of this affidavit are both true and correct, so help me God.'

*[Signature]*  
Name: \_\_\_\_\_  
**COMMISSIONER OF OATHS**

Name: *John J. Kelly*  
Address: *20 Shynard Ave*  
Capacity: *10810 1st B*  
*Rensselaer*  
*W10*



*[Signature]*