SWORN STATEMENT

In support of

a Notice Beginning Business Rescue Proceedings

In respect of CINZACO 141 (Pty) Ltd

I, the undersigned,

DANIEL CHRISTIAAN GELDENHUYS
(ID No. 661231 5025 086)

do hereby make oath and state that:

1 I am a major male businessman with current place of employment at CINZACO 141 (Pty) Ltd, registration number 2007/006647/07, with the registered office located at 7 Gooderson Road, Blackheath, CAPE TOWN.

2 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 am a director of CINZACO 141 (Pty) Ltd (hereinafter referred to as "*the Company*").

PURPOSE OF THIS AFFIDAVIT

4 The company is in 'financial distress' as contemplated in section 128 (f) of the Companies Act 71 of 2008 ("*the Act*").

5 On 4 May 2026, the directors of the company resolved that the Company be voluntarily placed into business rescue as envisaged in section 129 (3) of the Companies Act 71 of 2008. The resolution will be filed evenly with this sworn statement.

FINANCIAL DISTRESS OF THE COMPANY

6 The financial distress of the company is attributable, *inter alia*, to:

6.1 Severe cash flow shortages

The company has experienced persistent and acute cash flow constraints arising from delayed payments on certified work, extended debtor collection periods and increasing operational costs. These constraints have impaired the company's ability to meet its short-term obligations as they fall due, including payments to suppliers, subcontractors and employees, often in advance of corresponding employer certifications or payments. The mismatch between incoming revenue and immediate financial commitments has resulted in reliance on limited credit facilities, which are now either fully utilised or no longer accessible, further exacerbating liquidity pressures.

6.2 Privation of work – delays in awarding tenders

The company's revenue stream has been significantly impacted by a reduction in the award of new projects, primarily due to delays in the adjudication and awarding of tenders within the industry. This has created prolonged periods with insufficient project inflow to sustain operational overheads and core capacity that cannot be rapidly scaled down without impairing future earning potential. The lack of continuity in secured work has disrupted forward planning, resource allocation and revenue forecasting, ultimately leading to underutilisation of capacity and a decline in income generation.

6.3 Penalties

The imposition of contractual penalties, including delay damages on certain projects, has further strained the company's financial position. These penalties have arisen from factors such as project delays beyond the company's control, including external dependencies, adverse site conditions and supply chain disruptions that were not reasonably foreseeable. The financial impact of such penalties has eroded already

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constrained margins and contributed to the overall deterioration of profitability.

6.4 Declining profit margins

The company has experienced a steady decline in profit margins due to increased input costs (including materials, fuel and labour), competitive tender pricing pressures and the inability to fully recover cost escalations through existing contracts. In many instances, projects have been executed at significantly reduced margins or at break-even levels, limiting the company's ability to build financial reserves and absorb unforeseen costs, thereby contributing to its current financial distress despite the underlying viability of its construction operations absent these exceptional pressures.

6.5 Fixed-price contracts and inability to pass on cost escalations

A further material contributor to the company's financial distress is the nature of several of its fixed-price or limited-variation construction contracts, which have prevented the company from passing on significant increases in material, fuel, logistics and labour costs. As a result, the company has been compelled to complete these projects at significantly reduced margins or in some instances, at break-even or loss-making levels. While commercially necessary, this has constrained cash flow, eroded working capital and limited the company's ability to build reserves or absorb unforeseen costs, thereby contributing directly to its present financial distress.

7 As a result of the above:

7.1 The company is experiencing cashflow constraints;

7.2 The company has been or will shortly be unable to service payments in respect of its month to month obligations to creditors and more specifically in terms of its credit facilities;

7.3 The Company is unable to finalise orders from clients due to a shortfall in working capital requirements; and

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LEGAL PROCEEDINGS

8 To the best of my knowledge, I confirm that there are no active liquidation proceedings that have been initiated by or against the Company.

PRELIMINARY PLAN TO ADDRESS FINANCIAL DISTRESS

9 The board believes there is a reasonable prospect of rescuing the Company, supported by the following preliminary interventions:

9.1 Immediate preservation of cash through the temporary moratorium afforded by business rescue;

9.2 Appointment of licensed Business Rescue Practitioners to stabilise operations and who will in consultation with affected persons develop and implement an adopted business rescue plan which may contain a wide variety of options available to restructuring professionals, such as, inter alia:

9.2.1 rationalisation of operational costs and disposal of non-core assets;

9.2.2 the sale of the business;

9.2.3 the conversion of debt to equity;

9.2.4 repayment of debt over a fixed term; and

9.2.5 engagement with all affected persons and specifically creditors, including SARS, to negotiate structured repayment or compromise arrangements which will provide creditors with a better return than what would be the case were the Company to be placed in liquidation.

PROSPECTS FOR RECOVERY IN BUSINESS RESCUE

10 It is my firm belief that there are reasonable prospects for the rescue and recovery of the company through the utilisation of the business rescue processes envisaged in chapter 6 of Act.

11 In the premise, business rescue will:

11.1 Aid the company in once again attaining commercial solvency, restoring it to a solvent, liquid and profitable enterprise, or, at the very least;

11.2 To provide creditors with a return greater than that they would receive in the event of the liquidation of the company.

DEPONENT

I hereby certify that the deponent knows and understands the contents of this affidavit and that it is to the best of his/her knowledge both true and correct. This affidavit was signed and sworn to before me at MFULENI on this the 04 day of MAY 2026, and that the Regulations contained in Government Notice R.1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.

COMMISSIONER OF OATHS

SUID-AFRIKAANSE POLISIE DIENS
SAPS MFULENI
04 MAY 2026
SOUTH AFRICAN POLICE SERVICE