

SWORN STATEMENT

In support of

a Notice Beginning Business Rescue Proceedings

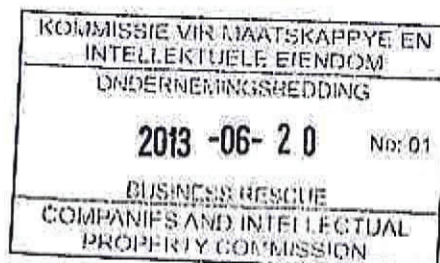
In respect of Civcon Construction Proprietary Limited

I, the undersigned

Andrew Ralph Langham
Director

do hereby make oath and say:


1. I am a director of Civcon Construction Proprietary Limited registration number 1972/005850/07 (the Company) and am authorised by the board of Civcon Construction Proprietary Limited to act on behalf of Civcon Construction Proprietary Limited.
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 Company's Notice to Commence Business Rescue Proceedings as contemplated in section 129 of the Companies Act 71 of 2008.
4. On 19 June 2013, 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.
5. The relevant facts upon which the resolution was founded are:
 - a. The Company has material long overdue trade creditor balances. In addition, the Company owes moneys to unsecured loan providers, South African Revenue Services and former staff members as well as to other statutory bodies.
 - b. The Company's cash flows have been negatively affected by the delayed payment of amounts due and payable by municipal clients who in turn have suffered from budgetary constraints. In addition, a number of large claims are waiting for resolution in respect of construction work under-taken on the Medupi and Kusile power stations – which contracts have suffered delays, inter alia, as a result of labour strikes.



- c. The Company has incurred considerable expenses relating to down-sizing in order to adjust the business to align with revenues forecast to be available in the South African civil engineering construction market.
 - d. The Company has forecast that its cash flows should improve as outstanding debtors are collected and claims resolved.
 - e. The Company's major financial facility provider has indicated that it might be prepared to advance interim funding required by the Company post a successful business rescue application.
6. In light of the above, the board of directors has reasonable grounds to believe that the Company is financially distressed.
7. 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 continue trade in the short-term and thereafter grow so retaining the jobs of around 1000 people, maximising payments to creditors, continuing to pay taxes to the state, constructing structures to the benefit of clients and society, and continuing to provide a market for suppliers.


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 JOHANNESBURG on the 19TH DAY OF JUNE 2013, 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



JANITA CORREIA
COMMISSIONER OF OATHS/EX OFFICIO
PRACTISING ATTORNEY/PRAKTISEERENDE PROKUREUR
F.S.A.
19 BOMPAS ROAD, DUNKELD WEST
JOHANNESBURG