

## **SWORN STATEMENT**

I, the undersigned

Caroline Lepheana with ID No: 5909151113088

do hereby declare as follows:

### **INTRODUCTION**

1. I am an adult female residing at 43 Luneville Road, Lorraine, Port Elizabeth 6070.
2. The facts contained in this affidavit fall within my personal knowledge and I confirm the contents hereof to be true and correct.
3. I am duly authorised to dispose of this affidavit on behalf of Lumila Holdings (Pty) Ltd with registration number 2017 / 431162 / 07 (hereinafter referred to as the Company).
4. I make this affidavit in terms of Section 129 of the Companies Act, 71 of 2008 as amended from time to time (hereinafter referred to as the Act).
5. I am the sole director of the business and act in my capacity as managing director of the business.

### **RESOLUTION TO COMMENCE WITH BUSINESS RESCUE**

6. On the 5<sup>th</sup> of August 2026 at 43 Luneville Road, Lorraine, Port Elizabeth 6070, the directors passed a resolution in terms of section 129 (1) of the Act to commence with business rescue proceedings.
7. This affidavit deals with the relevant facts upon which the resolution is founded.

### **FINANCIAL DISTRESS**

8. The Company is financially distressed as contemplated in section 128(1)(f) of the Companies Act 71 of 2008 in that it is reasonably unlikely that the Company will be able to pay all of its debts as they become due and payable within the immediately ensuing six months.
9. The company has experienced a number of significant operational losses arising from mechanical failures and accidental damage to its fleet and equipment. These unforeseen events have resulted in substantial repair and replacement costs, extended periods of operational downtime, and the loss of revenue-generating opportunities, all of which have materially weakened the company's financial position.

10. The company has also been adversely affected by changes in the payment terms and trading practices of its customers. As a consequence of prevailing market conditions, clients have increasingly extended their payment cycles, resulting in delays in the collection of trade receivables and placing considerable pressure on the company's cash flow and working capital requirements.
11. In addition, the company has been significantly impacted by the sustained increase in diesel prices and periodic fuel supply shortages. These increases in operating costs, together with disruptions in fuel availability arising from global geopolitical instability and supply chain constraints, have materially increased the cost of providing services while reducing operating margins. The company has been unable to recover these additional costs from its customers in full, resulting in continued financial pressure.
12. The combined effect of the operational losses, deteriorating cash flow resulting from extended debtor payment terms, and escalating fuel and operating costs has substantially impaired the company's ability to meet its financial obligations as they become due. The company's liquidity has consequently deteriorated to the extent that it is experiencing ongoing financial pressure in servicing its contractual debt obligations and funding its normal operations.
13. Having regard to the recurring operational losses, constrained cash flows, increased operating costs, and the company's inability to generate sufficient cash from its normal trading activities to meet its obligations, I believe there is a reasonable likelihood that the company will be unable to pay all of its debts as they become due and payable within the ensuing six months.
14. It is for these reasons that I concluded that Lumila Holdings (Pty) Ltd is financially distressed as contemplated in section 128(1)(f) of the Companies Act 71 of 2008 and that the commencement of business rescue proceedings is appropriate to facilitate the restructuring of the company's affairs, preserve value for stakeholders, and provide the company with a reasonable prospect of returning to financial sustainability.

## **LEGAL PROCEEDINGS**

15. The Company is presently not involved in any litigation, arbitration proceedings, liquidation proceedings, enforcement proceedings, or other material legal proceedings. No applications have been brought for the liquidation of the Company.

## **REASONABLE PROSPECT OF BUSINESS RESCUE**

16. The Company remains commercially viable. The financial distress experienced by the Company is primarily attributable to the aforementioned.
17. The Company is capable of restructuring its affairs and liabilities through the business rescue process.
18. The business rescue process will provide the Company with an opportunity to complete outstanding operational requirements, improve cash flow management and implement measures designed to prevent a recurrence of the circumstances that led to its present financial distress.

19. I am of the opinion that there is a reasonable prospect of rescuing the Company as contemplated in Chapter 6 of the Companies Act.
20. In the alternative, should the Company ultimately not be capable of returning to solvency, the business rescue process will facilitate a better return for affected persons than would likely be achieved through an immediate liquidation as contemplated in section 128(1)(b)(iii) of the Companies Act.

THUS, DONE AND MADE ON THE 5<sup>th</sup> DAY OF AUGUST 2026.

CS Lepheana  
Caroline Lepheana

I certify that the Deponent has acknowledged that he/she knows and understands the contents of this Affidavit, has no objection in taking the prescribed oath and regards the oath as binding on his/her conscience, which was signed and sworn to before me at PORT ELIZABETH on the 05 day of AUGUST 2026, (the regulations contained in the Government Gazette No R1258 dated 21<sup>st</sup> of July 1972 as amended by Government notice No 1648 dated 19<sup>th</sup> August 1977 having been complied with).

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