

SWORN STATEMENT

I, the undersigned

Arnold Petrus Avenant
With ID No: 680830 5126 088

do hereby declare as follows:

INTRODUCTION

1. I am an adult male residing at 1 Milkwood close, Lovemore Park, 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 Surface Preparations Equipment and Coatings (Pty) Ltd with registration number 1971 / 002640 / 07 with registered office at 19 Kurland Road, Perseverance, Port Elizabeth 6000. (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 managing director of the business and act in my capacity as such.

RESOLUTION TO COMMENCE WITH BUSINESS RESCUE

6. On the 3rd of March 2023, 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

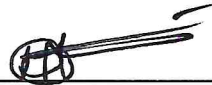
8. The company is financially distressed due to the fact that it is reasonably unlikely that it will be able to pay all of its debts as they fall due and payable within the immediately ensuing six months.
9. Declining sales due to a loss of a major contract.
10. The company employs roughly 82 staff members.
11. It is clear from the above and as a result, largely of things outside of the director's control, that the business is in financial distress and cannot service all of its debts as and when they are due.

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REASONABLE PROSPECT OF BUSINESS RESCUE

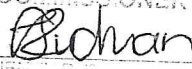
- 12. The business can restructure its affairs and business operations to allow for a more profitable business. Various safeguards will also be put in place that protect the income of the business against future, uncertain events.
- 13. I am of the opinion that if the management and the business rescue practitioners are afforded time to restructure its affairs, business and liabilities and implement plans to decrease its costs, the Company has a reasonable prospect of being rescued.
- 14. Alternatively, the business rescue process will provide a better outcome than immediate and traditional liquidation in terms of Section 128(b)(iii) of the Companies Act by undergoing a structured winding down process.

THUS, DONE AND MADE ON THE 3RD DAY OF MARCH 2023.



Arnold Petrus Avenant

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 3RD day of MARCH 2023, (the regulations contained in the Government Gazette No R1258 dated 21st of July 1972 as amended by Government notice No 1648 dated 19th August 1977 having been complied with).

COMMISSIONER OF OATHS

DATE: 03/03/2023
MEMBER NO: 50161
SHEPHERD PROMOTIONS (PTY) LTD
COMMISSIONER OF OATHS