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Companies and Intellectual Property Commission  
Republic of South Africa

Form CoR 123.1

About this Form

- This form is issued in terms of section 129 and 131 of the Companies Act, 2008, and Regulation 123 of the Companies Regulations, 2011.
- A company resolution to committee business rescue proceedings has no force or effect until it has been filed with this notice.
- This notice must be published to every affected person within 5 business days after -
  - (a) It has been filed, in the case of a resolution; or
  - (b) The date of the court order, in such a case.
- If this Notice is issued following a board resolution-
  - (a) The company must appoint a business rescue practitioner with 5 business days after filing this notice; and
  - (b) Any affected person may apply to a court in terms of section 130 for an order setting aside the resolution.
- The fee for filing this notice is R0.

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

Postal Address  
PO Box 429  
Pretoria  
0001  
Republic of South Africa  
Tel: 086 100 2472

www.cipc.co.za

Notice of Beginning of Business Rescue Proceedings

Date: 8 MAY 2020

Customer Code: G3N351

Concerning

(Name and Registration Number of Company)

Name: GENESIS CAPITAL (Pty) Ltd

Registration No: 2002/01159107

The above named company advises that business rescue proceedings have commenced in terms of Chapter 6 of the Companies Act, as a result of:

The Board of the company having adopted the attached resolution in terms section 129, on 8 MAY 2020

A Court having made the attached order in terms of section 131, on \_\_\_\_\_

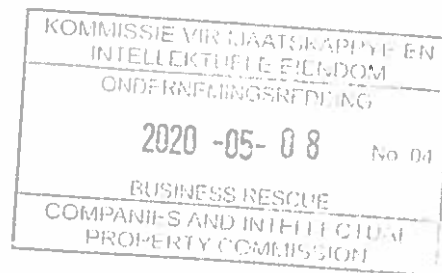
In terms of section 132 (1)(a), the company's business rescue proceedings commenced on 8 MAY 2020 being the date on which:

This notice was filed with the Commission.

The court issued the attached order.

(Only in the case of a company resolution)

In support of this Notice, the company has attached a sworn statement of the relevant facts upon which the resolution was founded by a director representing the Board.



Name and Title of person signing on behalf of the Company:

AMANDA TURI-JONES DIRECTOR

Authorised Signature:

[Signature]

[Signature]

**GENESIS CAPITAL (PTY) LTD  
(REGISTRATION NUMBER 2004/011159/07)**

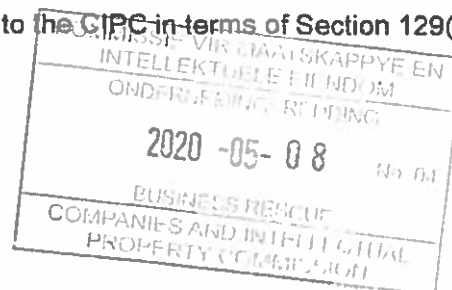
**RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS AT A MEETING OF THE BOARD**

**ON 8th May 2020 AT JOHANNESBURG**

**RESOLUTION IN TERMS OF SECTION 129(1) OF THE COMPANIES ACT 71 OF 2008,  
AS AMENDED**

At a meeting of the board of directors of GENESIS CAPITAL (PTY) LTD ("the Company"), it was hereby resolved as follows: -

1. The Company is financially distressed as envisaged in terms of Section 128(1)(f) of the Companies Act 71 of 2008, as amended ("the Companies Act") read with Section 129(1)(a) of the Companies Act, in that it appears reasonably: -
  - 1.1 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; and/ or
  - 1.2 likely that the Company will become insolvent within the immediately ensuing six months.
2. There appears to be a reasonable prospect of rescuing the Company, as envisaged in terms of Section 129(1)(b) of the Companies Act.
3. The board of directors of the Company hereby resolves that the Company voluntarily begin business rescue proceedings and places the Company under supervision, as envisaged in terms of Section 129(1) of the Companies Act.
4. STANLEY NORMAN MELNICK is and / or the Company's authorized representatives are hereby authorized to prepare, complete and / or sign all documents and forms and take all actions and steps required to give effect to the resolution.
5. The Company hereby nominates Byron Norman Chevalier and Fenwick Neil Miller as the Company's business rescue practitioners.
6. To the extent necessary, the Company will, alternatively hereby authorize the necessary person to, make application to the CIPC in terms of Section 129(3) of the



Companies Act for an extension of time to carry out the steps listed in Section 129(3)(a) and (b) of the Companies Act.



**NAME: STANLEY NORMAN MELNICK**

**CAPACITY: DIRECTOR**

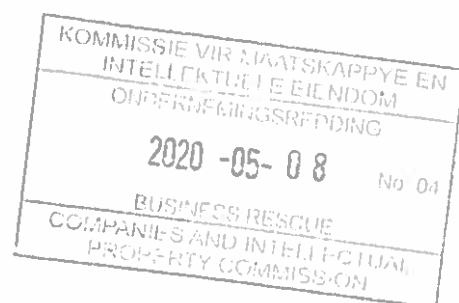
**DATE: 8 MAY 2020**



**NAME: AMANDA TURI-JONES**

**CAPACITY: DIRECTOR**

**DATE: 8 MAY 2020**



**SWORN STATEMENT IN TERMS OF SECTION 129(3)(a) OF THE  
COMPANIES ACT 71 OF 2008, AS AMENDED**

SWORN STATEMENT OF THE FACTS RELEVANT TO THE GROUNDS ON WHICH THE RESOLUTION OF THE BOARD OF DIRECTORS OF GENESIS CAPITAL (PTY) LIMITED REGISTRATION NO. 2004/011159/07 ("THE COMPANY"), PASSED ON 8 MAY 2020, WAS FOUNDED.

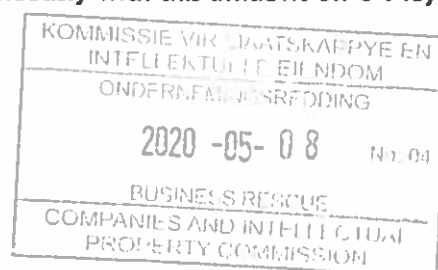
SWORN STATEMENT OF STANLEY NORMAN MELNICK, A DIRECTOR OF THE COMPANY

I, the undersigned,

**STANLEY NORMAN MELNICK**  
Identity number 690219 5180 08 9

do hereby make oath and state as follow: -

1. I am a Director of the Company and am duly authorised, inter alia:-
  - 1.1 to depose to this affidavit on its behalf, under and by virtue of a resolution duly adopted by its board of directors on 8 May 2020 ("the Resolution"), and
  - 1.2 to do all such things and to sign all such required documents as might be reasonably necessary on its behalf in order to give effect to the Resolution.
2. The facts and allegations herein contained, unless otherwise stated herein or unless the context in which they are herein expressed indicates otherwise, are within my own knowledge and are, to the best of my knowledge, information and belief, both true and correct.
3. The Company: -
  - 3.1 has its registered office at 27 Fricker Road, Illovo, Johannesburg, Gauteng, 2196;
  - 3.2 conducts its business at 27 Fricker Road, Illovo, Johannesburg, Gauteng, 2196;
  - 3.3 resolved, by virtue of the Resolution, to voluntarily begin Business Rescue proceedings and to place the Company under supervision as envisaged in terms of Section 129(1) of the Companies Act 71 of 2008, as amended ("the Companies Act");
  - 3.4 will cause the Resolution to be filed at the Companies Intellectual Property Commission ("CIPC") simultaneously with this affidavit on 8 May 2020; and



*Handwritten signature and initials*

3.5 accordingly, entered Business Rescue proceedings on 8 May 2020, as envisaged in terms of Section 129(2)(b) read with Section 132(1)(a)(i) of the Companies Act.

4. In terms of section 128(1)(f) of the Companies Act, "financially distressed", in reference to a particular company at any particular time, means that:-

"(i) it appears to be 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; or

(ii) it appears to be reasonably likely that the company will become insolvent within the immediately ensuing six months".

5. Section 129(1)(a) and (b) of the Companies Act reads as follows:-

"129. Company resolution to begin business rescue proceedings.—(1) Subject to subsection (2) (a), the board of a company may resolve that the company voluntarily begin business rescue proceedings and place the company under supervision, if the board has reasonable grounds to believe that—

(a) the company is financially distressed; and

(b) there appears to be a reasonable prospect of rescuing the company."

6. This sworn statement is made by me pursuant to the provisions of Section 129(3)(a) of the Companies Act which states that:-

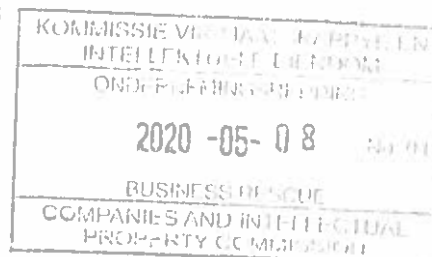
"129 (3) Within five business days after a company has adopted and filed a resolution, as contemplated in subsection (1), or such longer time as the Commission, on application by the company, may allow, the company must—

(a) publish a notice of the resolution, and its effective date, in the prescribed manner to every affected person, including with the notice a sworn statement of the facts relevant to the grounds on which the board resolution was founded;"

7. As will appear hereunder, the Company is "financially distressed", in that it appears to be 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.

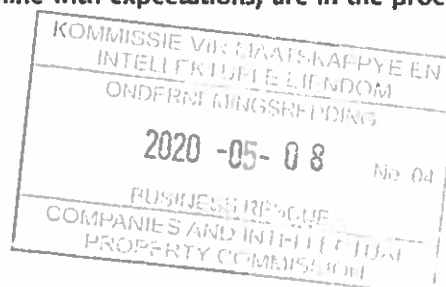
8. The Business Rescue proceedings have been entered by the Company to facilitate the rehabilitation of the Company by providing, inter alia, for:-

8.1 the temporary supervision of the Company and of the management of its affairs, business and property;

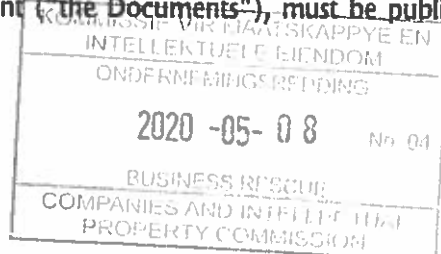


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- 8.2 a temporary moratorium on the rights of claimants against the Company or in respect of property in its possession, and
- 8.3 the development and implementation, if approved, of a plan to rescue the Company by restructuring its affairs, business, property, debt and other liabilities and equity in a manner that maximises the likelihood of the Company continuing in existence on a solvent basis or, if it is not possible for the Company to so continue in existence, results in a better return for the Company's creditors or shareholders than would result from the immediate liquidation of the Company.
- 9.
- 9.1 The facts relevant to the grounds on which the Resolution was founded are those listed in Section 129(1)(a) and (b) of the Companies Act.
- 9.2 More specifically, the Company's most recent analysis of the possible adverse effects and the impact thereof that the current Covid-19 epidemic might have on businesses in general and those in which the Company is invested in particular, has resulted in it having reasonable grounds to believe that:-
- 9.2.1 the Company is financially distressed, as envisaged in terms of Section 129(1)(a) read with Section 128(1)(f) of the Companies Act, and
- 9.2.2 if the Company were to place itself under Business Rescue, there exists a reasonable prospect of it being rescued or of its creditors receiving payments in respect of their claims against it in excess of what they would otherwise receive if the Company were to instead be placed under winding up.
- 9.3 The Company conducts an investment and management business which has entailed the acquisition by it of shares in various South African private companies and in two companies registered in the United Kingdom.
- 9.4 The Company's source of income has historically been derived from fees earned in respect of management services rendered by it to various of the companies in which it was invested and dividends received by it from certain of the same from time to time.
- 9.5 During August/September 2019, the Company, with the knowledge of its shareholders, commenced negotiations to dispose of certain of its assets with a view to liquidity being introduced into it for the purpose of enabling it to service its creditors. At the time, there were no concerns about the company being financially distressed.
- 9.6 Certain of these negotiations culminated in sales by the Company of its shareholdings in certain companies in February 2020 and the selling prices achieved in respect thereof, which were in line with expectations, are in the process of being duly paid.

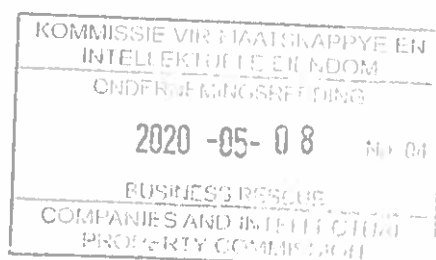


- 9.7 Negotiations in respect of the disposal of two further assets, both of which are material assets of the Company, were in progress during March 2020, but before these negotiations could be concluded, the impact of the Covid-19 epidemic struck. The consequences to the Company thereof included that the prices that had been mentioned were no longer regarded by the purchasers as reflective of a realistic value of the shareholdings in question given the general uncertainties that the virus had introduced which resulted in significantly lower purchase prices being considered by the purchasers.
- 9.8 In addition to the lower purchase prices being offered, in one of the transactions the terms of payment were changed from the entire purchase price being paid upfront, to a situation of an upfront payment of approximately 44% of the purchase price, with the balance payable over two years.
- 9.9 Prior to the Covid 19 impact being felt, the Company was confident that both transactions could be concluded by the end of June 2020. This is however no longer a certainty.
- 9.10 As a result of the impact of the Covid 19 epidemic on the two transactions as detailed above, as well as the expected impact the virus may have on the remaining assets of the Company, the Company has reasonable grounds to believe that the Company is financially distressed as envisaged in terms of Section 129(1)(a) read with Section 128(1)(f) of the Companies Act.,
10. The Company's board of directors believes that, given the benefit of the moratorium that will be provided whilst the Company is in Business Rescue by its liquidity problem and cash flow restrictions being thereby eased, there is a reasonable prospect of a plan being formulated and accepted by the Company's creditors which will rescue the Company by restructuring its affairs, investments, shareholdings, debt and liabilities in a manner that will maximise the likelihood of the Company continuing in existence on a solvent basis.
11. It is on the basis of the foregoing that the Company's board of directors entertains the reasonable belief that the Company can be rescued.
12. However, in the unlikely event of the Company's shareholdings or insufficient of them not being able to be disposed of under Business Rescue for adequate consideration, thereby enabling the Company to re-invest in other ventures which will provide it with management and dividend opportunities, with the result that it is not possible for the Company to continue in existence, a disposition of the Company's various investments otherwise than by way of a fire sale will result in a better return for the Company's creditors or shareholders than would result from the immediate liquidation of the Company.
13. In terms of Section 129(3) of the Companies Act, the notice of the Resolution, together with this statement ("the Documents"), must be published to every affected person in the



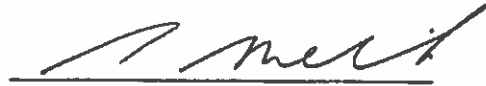
prescribed manner within 5 (five) business days after the Resolution was adopted and filed with the CIPC.

14. In terms of Section 128(1)(a) of the Companies Act, the affected persons includes the shareholders and creditors of the Company, any trade union representing employees of the Company, and employees of the Company, not represented by trade unions.
15. There are no trade unions representing employees.
16. As such, the documents must and will be published to the Company's creditors, employees shareholders.
17. In terms of the Companies Act, delivery of documents must take place in accordance with Section 6(1) and (11) of the Companies Act, read with Regulation 7 to the Companies Act, read with Table CR 3 which is contained in Annexure 3 to the Regulations to the Companies Act.
18. In this regard:-
  - 18.1 I am a director of the Company, have knowledge of the Resolution, was a party to its adoption in my capacity as such, have had sight of the same, and I am in possession of copies thereof.
  - 18.2 The Company will ensure that the documents are furnished to the shareholders and handed to the directors as required in terms of the relevant provisions of the Companies Act.
  - 18.2 with respect to the creditors of the Company, the Company will ensure that copies (certified where necessary) of the documents are:-
    - 18.2.1 faxed and/or e-mailed to each creditor, as envisaged by Table CR 3;
    - 18.2.2 handed to a responsible employee of the creditor at its registered office or at its principal place of business; and/ or
    - 18.2.3 affixed to the main door of the office or place of business of the creditor, as envisaged by Table CR 3.
19. Simultaneously with the publication steps mentioned above, the Company will ensure that a copy of the notice of appointment of the Business Rescue Practitioner is published to each of the affected persons above referred to as envisaged in terms of Section 129(4)(b) of the Companies Act. The Company and the appointed business rescue practitioners, Byron Norman Chevalier ("Chevalier") and Fenwick Neil Miller ("Miller") have taken all reasonable steps in an attempt to obtain from the CIPC the license approval required by Chevalier and Miller to act as the Company's Business Rescue Practitioners.

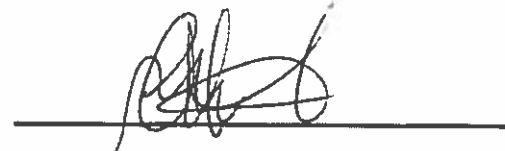




20. Nevertheless, Chevalier and Miller have been appointed as the Business Rescue Practitioners of the Company, and will timeously file with the CIPC the notices of Chevalier's and Miller's appointments.



THIS SIGNED AND SWORN TO BEFORE ME AT JOHANNESBURG ON THIS THE 8.. DAY OF MAY 2020, BY THE DEPONENT WHO HAS ACKNOWLEDGED THAT HE KNOWS AND UNDERSTANDS THE CONTENTS OF THIS AFFIDAVIT, THAT HE HAS NO OBJECTION TO TAKING THE PRESCRIBED OATH AND THAT HE CONSIDERS IT BINDING ON HIS CONSCIENCE.



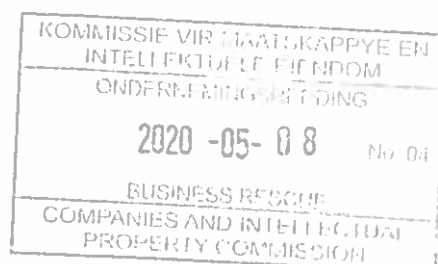
**MELANIE GAYE HANRECK**  
Commissioner of Oaths  
Ref No: 72/12/2015 OFFICE MANAGER  
SCHINDLERS ATTORNEYS  
2ND FLOOR, 3 MELROSE BOULEVARD  
MELROSE ARCH, JOHANNESBURG

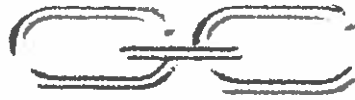
COMMISSIONER OF OATHS

FULL NAMES:

ADDRESS:

DESIGNATION:





# GENESIS CAPITAL

27 Fricker Road, Illovo, Johannesburg P O Box 522801, Saxonwold 2132  
Tel: 27 11 731 5000, Fax: 27 11 731 5171, Website: www-gencapital.co.za

8 May 2020

Dear Sirs

## **PUBLIC INTEREST SCORE AND NOMINATION OF THE BUSINESS RESCUE PRACTITIONERS**

We refer to the above and the Board of Directors resolution, dated 8 May 2020, resolving to commence business rescue proceedings in respect of the Company.

We hereby confirm that the public interest score of the Company for the current financial year is 228. The Company is accordingly classified as a medium company.

The primary activity of the Company is a holding company for various investments.

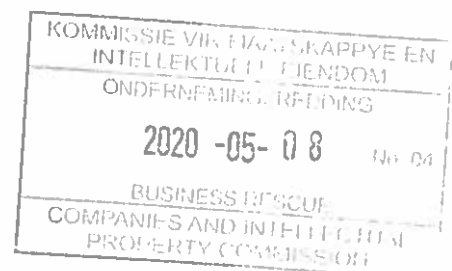
The directors of the company confirm that as at the date of this letter there is no litigation pending by or against the Company.

The Company nominates Byron Norman Chevalier and Fenwick Neil Miller as joint business rescue practitioners.

Yours faithfully

  
\_\_\_\_\_  
**STANLEY MELNICK**  
MANAGING DIRECTOR

  
\_\_\_\_\_  
**AMANDA TURI-JONES**  
DIRECTOR



Directors: S N Melnick (Managing), A Turi-Jones

Reg No. 2004/011159/07