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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: 25 July 2017

Customer Code: ATIMME

Concerning

(Name and Registration Number of Company)

Name: Solms-Delta Wine Estate (Pty) Limited

Registration No: 2016/124291/07

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 24 July 2017

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

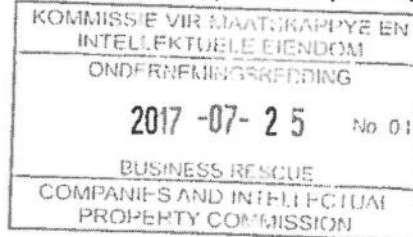
In terms of section 132 (1)(a), the company's business rescue proceedings commenced on 25 July 2017, being the date on which:

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:

Craig MacGillivray - Director

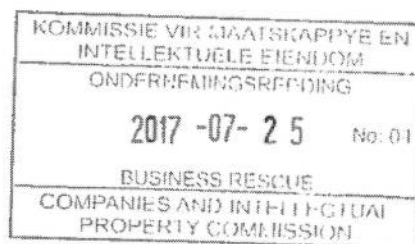
Authorised Signature:

[Handwritten Signature]

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF SOLMS-DELTA WINE ESTATE
(PROPRIETARY) LIMITED, REGISTRATION NUMBER 2016/124291/07 ("The
Company") IN TERMS OF SECTION 74 OF THE COMPANIES ACT, NO. 71 OF 2008
("the Companies Act") READ WITH ARTICLE 30.6.1 OF THE COMPANIES
MEMORANDUM OF INCORPORATION**

THE BOARD OF DIRECTORS RESOLVE:

1. That it has grounds to believe that the Company is financially distressed (within the meaning of section 128(1) and section 129(1)(a) of the Companies Act), and there appears to be a reasonable prospect of rescuing the Company.
2. That the Company voluntarily commence with business rescue proceedings with immediate effect and be placed under supervision as contemplated in section 129 of the Companies Act.
3. That Craig MacGillivray (ID No. 670707 5037 089), in his capacity as Chief Executive Officer of the Company, be and is hereby authorized to sign all documentation necessary to give effect to this resolution on behalf of the board of directors of the Company, including the signing of a sworn statement as contemplated in section 129(3)(a) of the Companies Act.





LS
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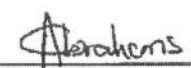
- 4. To approach Alison Timme (PwC) and ask her to accept the appointment as the business rescue practitioner of the Company as contemplated in section 129(1)(b) of the Companies Act.

WRITTEN CONSENT

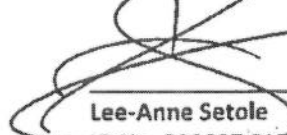
By signing this document or any counterpart or copy thereof, a director in his/her capacity as a director of the Company consents in writing to, and supports, each of the resolutions recorded herein, as contemplated in section 74(1) of the Companies Act.



Craig MacGillivray
ID No. 670707 5037 089
Chief Executive Officer
Date: 24/01/2017.

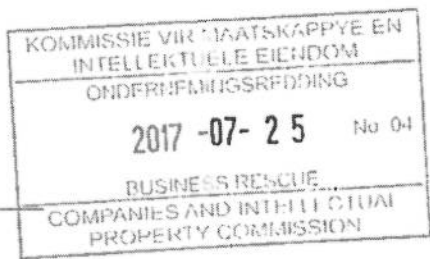


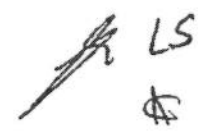
Charne Abrahams
ID No. 820302 0018 083
Director
Date: 24/01/2017



Lee-Anne Setole
ID No. 880607 0151 081
Director
Date: 24/01/2017

Nthabiseng Ntsele
ID No. 760909 0591 083
Director
Date:





Mark Solms
ID No. 610717 5046 082
Director
Date:

Richard Astor
UK Passport No. 099083607
Director
Date:

KOMMISSIE VIR MAAT, KAPPE EN INTELLEKTUELE EIGENDOM	
ONDERNEMINGSREDDING	
2017 -07- 2 5	No. 04
BUSINESS RESCUE	
COMPANIES AND INTELLECTUAL PROPERTY COMMISSION	

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4. To approach Alison Timme (PwC) and ask her to accept the appointment as the business rescue practitioner of the Company as contemplated in section 129(1)(b) of the Companies Act.

WRITTEN CONSENT

By signing this document or any counterpart or copy thereof, a director in his/her capacity as a director of the Company consents in writing to, and supports, each of the resolutions recorded herein, as contemplated in section 74(1) of the Companies Act.

Craig MacGillivray
ID No. 670707 5037 089
Chief Executive Officer
Date:

Charne Abrahams
ID No. 820302 0018 083
Director
Date:

Lee-Anne Setole
ID No. 880607 0151 081
Director
Date:



Nthabiseng Ntsele
ID No. 760909 0591 083
Director
Date: 27/7/2017

KOMMISSIE VIR OORSKAPPE EN INTELEKTUELE EIGENDOM	
ONDERNEMINGSREDDING	
2017 -07- 25	No: 04
BUSINESS RESCUE	
COMPANIES AND INTELLECTUAL PROPERTY COMMISSION	

SOLMS-DELTA WINE ESTATE (PROPRIETARY) LIMITED
REGISTRATION NUMBER 2016/124291/07
("THE COMPANY")

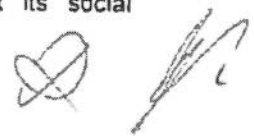
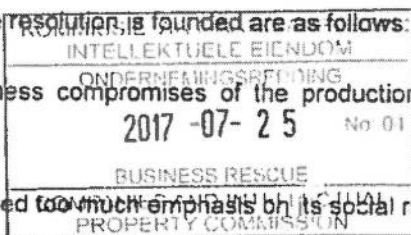
SWORN STATEMENT

I, the undersigned

FINLAY CRAIG MACGILLIVRAY

do hereby make oath and state that

1. I am a major male, and am a director and the Chief Executive Officer of the Company, with its registered address at Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441 and principal place of business at Solms-Delta Wine Estate, Delta Road, Groot Drakenstein, 7680.
2. The facts contained herein are true and correct and are further within my personal knowledge, unless the contrary appears clearly from the context thereof.
3. I make this sworn statement in support of the resolution of the board of directors of the Company as contemplated in section 129(3)(a) of the Companies Act, No. 71 of 2008 ("the Companies Act").
4. On 24 July 2017, the board of directors of the Company has resolved that the Company voluntarily commences business rescue proceedings, as envisaged in terms of the Companies Act. The resolution of the board of directors will be filed together with this sworn statement.
5. The relevant facts upon which the resolution is founded are as follows:
 - 5.1 the Company's main business compromises of the production and sale of wine;
 - 5.2 the Company originally placed too much emphasis on its social responsibilities to the detriment of profitability and as a result was overly staffed, top-heavy and carried too many overheads. Turnover fell well short of budget and significant losses were incurred placing cash flow even further under pressure;
 - 5.3 having experienced an inability to actively penetrate the correct markets for the sale of wine and having an inefficient wine sales team, in July 2016, the Company formed a partnership with government to support its social

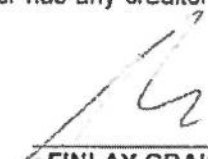


initiatives, whilst at the same time it undertook a downsizing of its salary bill, embarked on a dramatic cost-cutting exercise and drawing up of a turnaround strategy to deal with, *inter alia*, these issues:

- 5.4 the turnaround strategy was prefaced on funding flowing from the shareholders in tranches, but for a number of unforeseen circumstances, the funding has been delayed and has not been secured to date;
- 5.5 despite the fact that the turnaround strategy appears to be on track, without the required funding the Company does not have sufficient working capital, which is causing liquidity issues and the Company is unable to fully implement the turnaround. As a result, the company is currently unable to settle all its debts as currently due and those debts which will become due within the next six months, and
- 5.6 these factors have all contributed to an acute cash flow shortage, resulting in the Company becoming financially distressed as defined in the Companies Act.
6. It is the view of the board of directors that there is a reasonable prospect of rescuing the Company by implementing the turnaround strategy in a business rescue, where the required working capital can be secured, with a view to the Company's operations becoming fully profitable. In support of this process, post commencement funding has been facilitated by certain shareholders and is available for use.
7. Furthermore, business rescue will allow for:
- 7.1 the temporary supervision of the Company and for the management of its affairs, business and property;
- 7.2 a temporary moratorium on the rights of claimants against the Company or in respect of property lawfully in its possession, and
- 7.3 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
- 7.4 the development and implementation, if approved, of a plan to realise the Company's assets which will result in a better return for the Company's creditors and/or shareholders than would be the case in an immediate liquidation of the Company.



- B. I further confirm that there is no pending application for the liquidation of the Company (either by itself or by a creditor), nor has any creditor threatened to launch such an application.



FINLAY CRAIG MACGILLIVRAY

The Deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn to before me at Cape Town on this the 25th day of July 2017, 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

Full names:
 Business address:
 Designation:
 Capacity:

BERNARD GRAEME SACKS
 Commissioner of Oaths (ESA)
 Chartered Accountant (SA)
 Registration number 00324081

HAZARD HOUSE, HIALEO ROAD
 GRAND MAGRECKS PRECINCT
 CENTURY CITY 5641 - TEL: +27 21 818 9000

