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Company Registration No.: 2003/000580/07

VAT No.: 455 019 2332

15 JULY 2011

## Motivation for the Business Rescue of Systematic Designs (Pty) Ltd

I, Alastair Richard Knight, ID No.: 6712025020086, of 11 Walter Levy Street, Panorama, 7500 in the Republic Of South Africa, in my capacity as the Managing Director of the above-mentioned Company, hereby make and oath and state as follows:

The board of Systematic Designs (Pty) Ltd has resolved that the company voluntarily begin business rescue proceedings in terms of Section 129 of the Companies Act of 2008 because although the company is financially distressed there are reasonable prospects for its rescue.


### Financial Distress

1. Certain events over the past three years have resulted in the company incurring debts that are due and payable.
2. The company is unlikely to pay these debts in full within the next six months.

### Prospects for Rescue

1. Profitability has improved since the company restructured in November 2010, but not to the degree that it has been able to settle all outstanding debts.
2. There are opportunities for further business optimization which require investigation and implementation. This will accelerate the rate of debt repayment.
3. There are substantial project opportunities which have high likelihood of coming to fruition within the next few months that would allow all existing debt to be settled within 12 months.

SIGNED AND SWORN

By the above-named Deponent, Alastair Richard Knight, at Kenilworth, Cape Town in the Republic Of South Africa,  (signature of deponent) on the 15 of JULY 2011, before me

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**Business Confidential**  
Systematic Designs (Pty) Ltd t/a RedLinX™

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