

COMPANIES FORM No 155(6)b

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares



Please do not write in this margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering To the Registrar of Companies (Address overleaf - Note 5)

Name of company

For official use	Company number
	5883546

Note

Please read the notes on page 3 before completing this form

- " insert full name of company
- ø insert name(s) and address(es) of all the directors

RHYS DAVIES HOLDINGS LIMITED

MARK CHRISTOPHER RICHMOND OF 49 ST GOWAN AVENUE, CARDIFF, CF14 4JX X/Weø GWYN LAWRENCE DAVIES OF THE OLD VICARAGE, PENDOYLAN, COWBRIDGE, SOUTH GLAMORGAN, CF71 7UJ PAUL DOUGLAS HODGKISS OF 24 SPRINGHILL PARK, WOLVERHAMPTON, WEST MIDLANDS, WV4 4TS

f delete as appropriate

solemnly and sincerely declare that

§ delete whichever is inappropriate

The business of this company is

- (c) something other than the above §

This company is [7] [a] holding company of* RHYS DAVIES & SONS LIMITED which is proposing to give financial assistance in connection with the acquisition of shares in [this company] [

Presentor's name address and reference (if any) Geldards LLP **Dumfries House Dumfries Place** Cardiff **CF10 3ZF** 33001 Cardiff 1

For official Use General Section



Page 1

The assistance is for the purpose of MAXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
The number and class of the shares acquired or to be acquired is	Please complete legibly, preferab in black type, or bold block lettering
The assistance is to be given to (note 2) PENNBORO LIMITED (REG_CO_NO_06528233)	
The assistance will take the form of	
The person who KAXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	† delete as appropriate
The principal terms on which the assistance will be given are	
SEE RIDER 2	
The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it isNIL	
The amount of cash to be transferred to the person assisted is £ 3,000,000 by way of loan	-
The value of any asset to be transferred to the person assisted is £ NIL	Page 2

Please do not write in this margin

The date on which the assistance is to be given is

within 8 weeks of the date of this declaration

Please cg legibly, preferably in black type, or bold block lettering XWe have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts (note 3)

delete either (a) or (b) as appropriate

- (a) We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date1* (note 3)

And X/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835

Declared at

Declarants to sign below

Day Month Year 0 0

before me

n Thelingh So A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given, if a recipient is a company the registered office address should be shown
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form
- 5 The address for companies registered in England and Wales or Wales is -

The Registrar of Companies Companies House Crown Way Cardiff **CF14 3UZ**

or, for companies registered in Scotland -

The Registrar of Companies Companies House 37 Castle Terrace Edinburgh EH1 2EB

RIDER 1

- a guarantee (the "Seller Guarantee") to be granted by Rhys Davies & Sons Limited (the "Subsidiary") in favour of Gwyn Lawrence Davies (the "Seller"),
- 2 a debenture (the "Seller Debenture") to be granted by the Subsidiary in favour of the Seller,
- 3 a debenture (the "Bank Debenture") to be granted by the Subsidiary in favour of RBS Invoice Finance Limited (the "Bank"),
- 4 a loan agreement (the "Loan Agreement") to be entered into between the Subsidiary and Pennboro Limited (the "Purchaser"),
- 5 two new leases (the "New Leases") to be entered into between the Subsidiary and Red Parrot Properties LLP,
- 6 an invoice discounting agreement (the "ID Agreement") to be entered into between the Subsidiary and RBS Invoice Finance Limited

Mr. 8. 03.04.08

RIDER 2

- 1 pursuant to the **Seller Guarantee** the Subsidiary will guarantee the discharge of certain present and future liabilities of the Purchaser to the Seller as described therein.
- 2 pursuant to the Seller Debenture the Subsidiary will charge all the Subsidiary's undertaking, property, assets and rights by way of fixed and floating charges, legal mortgage and assignment as therein specified as security for all indebtedness and other liabilities of the Subsidiary to the Seller under the Seller Guarantee,
- 3 pursuant to the **Bank Debenture** the Subsidiary will charge all the Subsidiary's undertaking, property, assets and rights by way of fixed and floating charges, legal mortgage and assignment as therein specified as security for all indebtedness and other liabilities of the Subsidiary to the Bank,
- 4 pursuant to the terms of the **Loan Agreement** the Subsidiary will to make an unsecured loan to the Purchaser in the sum of £3,000,000 Such loan shall be unsecured and shall be interest free and shall be repayable on demand,
- pursuant to the terms of the **New Leases** each of which relates to premises currently occupied by the Subsidiary (being Alloys Wheels Building and Warehouse B (the "Properties") both at Taffs Well, Cardiff) the Subsidiary's occupancy of the Properties shall be subject to upwards only rent review provisions
- 6 pursuant to the terms of the **ID Agreement** the Subsidiary will sell certain of its debts to the Bank in accordance with the Terms of the ID Agreement

Mry.



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Private and Confidential

The Directors
Rhys Davies Holdings Limited
Moy Road Industrial Estate
Taffs Well
Cardiff
CF15 7QR

3rd April 2008

Dear Sirs

Report of the Independent Auditor to the directors of Rhys Davies Holdings Limited pursuant to Section 156(4) of the Companies Act 1985

We report on the attached statutory declaration dated 3rd April 2008, prepared pursuant to the Companies Act 1985, in connection with the proposal that the company's subsidiary undertakings, Rhys Davies & Sons Limited, should give financial assistance in connection with the acquisition of 50,000 of the ordinary shares of the company, Rhys Davies Holdings Limited This report, including the opinion, has been prepared for and only for the company and the company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Basis of opinion

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their statutory declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances

Yours faythfully

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors