

Attention: Affected Persons of CBI-Electric Telecom Cables Proprietary Limited (In Business Rescue)

1. Delivered by:
 - 1.1. E-mail to Affected Persons
 - 1.2. Hand to Trade Unions and certain Creditors
2. Displayed –
 - 2.1. On notice boards at the registered office and principal place of business of the Company and anywhere where Employees are employed
 - 2.2. Published on the website maintained by the Company and accessible to Affected Persons

STATUS REPORT FOR CBI-ELECTRIC TELECOM CABLES (PTY) LTD (IN BUSINESS RESCUE) ("the Company") IN TERMS OF REGULATION 132(3) OF THE COMPANIES ACT 71 OF 2008

30 April 2023

1. In accordance with section 132(3)(a) of the Companies Act 71 of 2008 ("**Companies Act**"), when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to –
 - 1.1. Prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
 - 1.2. Deliver the report and each update to each affected person and to the Companies and Intellectual Property Commission ("**CIPC**").
2. The Company commenced business rescue on 2 March 2022 with Mr Neil Hofmeyr Hablutzel as the duly appointed business rescue practitioner ("**BRP**") who, herewith, provides you with the eleventh report on the status of the Company's business rescue proceedings.
3. Statutory required Notices and Status Reports are and have been circulated to Affected Persons as prescribed by the Companies Act.
4. The business rescue plan ("**Plan**") was adopted on 7 June 2022 by the holders of 100% of the creditors' voting interests that voted, all of whom were independent creditors.
5. The BRP has engaged extensively with various Affected Parties, including the Employees and management of the Company, various Creditors and banking lenders. The details and outcomes of such meetings were set out and tabled in the approved Plan. The approved Plan

also contains the full details of certain of the steps that have been taken since the BRP's appointment. Engagement with the various stakeholders is ongoing.

6. The BRP continues to manage operations together with the ongoing working capital requirements of the Company. The requirement of settling the majority of suppliers prior to delivery continues to adversely impact current cash resources. Notwithstanding such and the recent investment in plant and equipment together with fire safety measures, the business has managed to successfully navigate the challenges of Business Rescue and for the 5-month period to end February 2023, has recorded significant improvements over the corresponding prior period. However, the constraint on cash resources has had its toll where the business has on occasion been short of raw materials to successfully meet demand, which has required additional PCF funding in support of operations. This has been successfully raised and we remain confident that with this additional funding, we can trade through the current uncertainty as outlined below, for a reasonable period of time.
7. As tabled in the previous report, the BRP and the shareholders are in the process of trying to conclude a PCF loan and nominal value share sale and purchase transaction with an investor, but unfortunately face challenges with the current transaction structure. These challenges remain further to our last status report and notwithstanding measures to address such, the various parties have been unable to sway opinion or reach agreement, to the extent that this transaction now remains in doubt. Should this materialize (i.e. the investor withdraw), not only will the business lose considerable international investment capital, but with it, new and exciting technology that will allow CBi Telecoms to play a leading role internationally in fibre optic and telecommunication cable manufacturing. And needless to add, the loss thereof would be a tremendous blow to our already struggling manufacturing industry and the stakeholders its supports, both within the business, the community and the economy. Alternative structures that have been considered are less than appealing to the investor/purchaser but remain available in an endeavour to achieve substantial implementation of the BR plan. Until the appropriate way forward as envisaged is denied and no longer available to follow or materialise, we will continue to seek avenues to overcome the current impasse.
8. All Affected Persons are reminded that all notices, documents and the Plan may be viewed on the Company's website at <https://www.cbitele.com/business-rescue>.

Yours faithfully



Neil Hablutzel
Business Rescue Practitioner