



Delivered by Email To: All known Affected Persons of Consolidated Infrastructure Group Limited
(In business rescue)
Companies and Intellectual Property Commission

Displayed: Registered office and principal place business of the Company and anywhere
where employees are employed

Published: On the website maintained by the Company and accessible to Affected
Persons

14 January 2022

**REPORT ON THE STATUS OF THE BUSINESS RESCUE PROCEEDINGS OF CONSOLIDATED
INFRASTRUCTURE GROUP LIMITED (IN BUSINESS RESCUE) ("COMPANY" or "CIG")**

1. In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("**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 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. Accordingly, we hereby provide you with the January 2022 report on the status of the Company's business rescue proceedings.
3. Capitalised words not otherwise defined in this notice shall have the meaning ascribed to them in the Plan.
4. Affected Persons are hereby updated on the following matters which remain relevant since the publication and distribution of the December 2021 status update report:

4.1. **Asset and Business Sales**

Negotiations regarding potential sales processes related to assets and businesses of the Company which are available to realise potential value for the Company's Affected Persons,



are ongoing. As the Company has delisted, updates with regards to the sale processes shall be included in these monthly reports.

Sale of Major Assets:

- 4.1.1. Conlog: As previously disclosed, a comprehensive sale process was undertaken for the sale of Conlog. The sale process advanced to the point whereby a limited number of interested parties were being directly engaged, with a view to negotiating and concluding the sale transaction with a preferred party (or group of parties). The sale process was hampered and ultimately terminated due to the lengthy COVID-19 lockdowns in South Africa as well as the unrest, particularly in Durban where Conlog keeps its primary manufacturing facility and head office. As a result, the originally envisaged transaction has been terminated in order to provide Conlog with the support and time that it requires to deliver on its performance and valuation expectations. Therefore, closing is no longer expected to be in 2022, but rather at the appropriate time in future. The Business Rescue team is in the process of engaging with the relevant stakeholders to ensure alignment and that the time required to maximise the valuation of Conlog is fully supported.
- 4.1.2. CBM: As previously disclosed, the sale process of CBM has advanced significantly, culminating in the signing of transaction agreements on or about 16 September 2021. There are a number of conditions precedent contained in the sale agreement, including the regulatory requirements of the CBM sale transaction, specifically the requirement for DMR Section 11 approval, which the Business Rescue team are now in the process of managing. Transaction closure is subject to the receipt of such regulatory approvals.
- 4.1.3. AES: As previously disclosed, the sale process of AES has advanced significantly, culminating in the signing of transaction agreements on or about 7 November 2021. There are a number of conditions precedent contained in the transaction agreement, including certain competition regulatory requirements in Angola, which the Business Rescue team is in the process of managing. Transaction closure is subject to the receipt of such regulatory approvals, which are expected to be received in Q1 2022.

Sale of Smaller Assets:

- 4.1.4. CIGenCo: As per the Plan, the Ejuva assets (CIGenCo SA) was disposed of in April 2021. The remaining material assets within the CIGenCo business unit have been disposed of. As part of the sale of the Ejuva assets and the remaining assets, an element of deferred consideration exists which is in the process of being collected



(to the extent possible). Collection of the deferred consideration, if due and payable, shall likely occur in Q1 2022.

- 4.1.5. Consolidated Power Projects Energy Solutions (“CONCO ES”) – as previously disclosed, the sale process of its wholly owned subsidiary, CONCO ES, has been concluded. The transaction involved the sale of the ES business (defined in the sale agreement as selected contracts, employees and certain fixed assets and inventory) from CONCO ES to DLO Energy Solutions Proprietary Limited (“**DLO ES**”).

4.2. Creditors

- 4.2.1. Disputed Creditors - As mentioned in previous reports, Section 3.2 of the Plan provides a Dispute Mechanism process for Creditors to deal with any disputes related to Claims. Creditors who wish to dispute the amount and/or the inclusion/exclusion of their claims against the Company reflected in Annexure E are at liberty to follow such process if they so wish.

- 4.2.2. Contingent liabilities – Of the total financial guarantees outstanding as at the commencement of the Consolidated Power Projects (Pty) Ltd (“**Conco**”) business rescue, which are in turn guaranteed by the Company, 30% have been returned to the guarantee providers (by way of reduction, cancellation or expiry) and 20% have been called (i.e. now recognised as creditor claims in the Company). Thus, 50% of Conco guarantees remain outstanding as of 31 December 2021.

5. If you have any queries, they may be directed to business.rescue@ciqlimited.com. Affected Persons are reminded that all relevant notices circulated to the Affected Persons of the Company, to date, have been published on the Company's website at www.ciqlimited.com, under the Business Rescue tab.

Yours faithfully,

PF VAN DEN STEEN
Business Rescue Practitioner
Consolidated Infrastructure Group Limited

MDT LIEBENBERG
Business Rescue Practitioner
Consolidated Infrastructure Group Limited

**Companies and Intellectual Property Commission
Republic of South Africa**

Form CoR 125.1

About this Form

- This form is issued in terms of section 132 and 141 of the companies Act, 2008, and Regulation 125 of the Companies Regulations, 2011.
- This Notice and the attached report must be published to every affected person, and to-
 - a) The Commission, if the business rescue proceedings were started by the company; or
 - b) The court, if the proceedings were ordered by the court.
- A report and Notice must be issued at the end of the first three months of the business rescue proceedings, and at regular monthly intervals after that

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

Business Rescue Status Report

Date: 14 January 2022

Customer Code: WERKMP

Concerning

(Name and Registration Number of Company)

Name: Consolidated Infrastructure Group Limited

Registration No: 2007/004935/06

The above named company commenced business rescue proceedings on 09 November 2020.

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioner provides the attached report in terms of section 132 (3).

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

PF van den Steen and MDT Liebenberg - Joint Business Rescue Practitioners

Authorised Signature:

