



## CONSOLIDATED POWER PROJECTS

Consolidated Power Projects (Pty) Ltd

Co. Reg. No. 1963/006171/07

Physical address: 1 Shale Road – N1 Business Park,  
c/o Old Johannesburg Road and Tlokwa Street  
Kosmosdal, Centurion, 0157, South Africa

Postal address: Private Bag X42  
Halfway House, 1685, South Africa

Tel. no. +27 11 805 4281/2/3

Fax: +27 11 805 1132

E-mail: [info@concogrp.com](mailto:info@concogrp.com)

Website: [www.concogrp.com](http://www.concogrp.com)

**Delivered by Email To:** **All known Affected Persons** of Consolidated Power Projects (Pty) Ltd.  
(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

**Hand delivered to:** Trade Unions, after distribution and publication

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March 2021

**Attention: All Affected Persons of the Company**  
**Companies and Intellectual Property Commission**

### **STATUS UPDATE REPORT REGARDING THE PROGRESS OF THE BUSINESS RESCUE PROCEEDINGS OF CONSOLIDATED POWER PROJECTS PROPRIETARY LIMITED (IN BUSINESS RESCUE) ("COMPANY")**

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 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. Accordingly, we hereby provide you with the second report on the status of the Company's business rescue proceedings.



3. Since the publication and distribution of the first status update report, the following has occurred:

3.1. Publication of the Business Rescue Plan for the Company – The BRPs published the proposed Business Rescue Plan for the Company ("**Plan**") on 1 March 2021. The Plan was distributed to all known Affected Persons and is available to view and download under the "Business Rescue" tab on the Company's website at: [www.concogrp.com](http://www.concogrp.com). Capitalised words not otherwise defined in this report shall have the meaning ascribed to them in the Plan.

3.2. Meeting in terms of Section 151(2) of the Act –

3.2.1. Notice was given to all known Affected Persons of the Company that a Meeting in terms of Section 151(2) of the Act ("**Meeting**") would be convened virtually by the BRPs for the purpose of Affected Persons voting on the Plan. The BRPs permitted voting by Proxy at the Meeting and provided Creditors of the Company with a Form of Proxy.

3.2.2. Prior to the Meeting, Affected Persons of the Company were given notice regarding amendments made to the Plan, in terms of sections 144(3)(a), 145(1)(a) and 146(a) of Act. Affected Persons were advised to consider the Plan in conjunction with the aforementioned notice. Further details regarding the amendments made to the Plan are contained in the "Amendment to BR Plan Notice to Affected Persons" distributed to Affected Persons and available under the "Business Rescue" tab on the Company's website at: [www.concogrp.com](http://www.concogrp.com).

3.2.3. The Meeting was held virtually on Friday 12 March 2021 at 10:00.

3.2.4. The Plan was considered by Affected Persons and the BRPs called for a vote for the approval/adoption of the Plan, from Creditors of the Company present at the Meeting. Due to the virtual nature of the Meeting, Creditors could vote by typing their vote in the digital chat box available for the purposes of live written submissions during the Meeting or submit their voted to the BRPs by email to the Company's business rescue email address: [br@concogrp.com](mailto:br@concogrp.com), by 17h00 on Monday 15 March 2021 (provided they were present at the meeting and their presence was confirmed by the attendance register)

3.2.5. For the Plan to be adopted and binding on the Company, it must be supported by the holders of more than 75% of the creditors' voting interests that were voted. Furthermore, the votes in support of the proposed Plan must include at least 50% of the independent creditors voting interests, if any, that were voted.



3.2.6. Votes were cast by all Creditors present and voting at the meeting and of the votes cast: **99.04% voted in favour** of the approval and adoption of the Plan and **0.96% voted against** the approval and adoption of the Plan. No Creditors present and voting abstained from voting.

3.2.7. Of the votes cast in support of the Plan by the Independent Creditors with voting interests: **98.33% voted in favour** of the adoption and approval of the Plan, **1.67% voted against** the adoption and approval of the Plan and again, no Creditors present and voting abstained from casting their vote.

3.2.8. **86.89%** of the Company's Creditors cast their votes by proxy, at the Meeting or by email and based on the outcomes of the votes cast as detailed above, the Plan has been approved and adopted with an overwhelming majority of support and is thus final and binding on the Company and all Affected Persons.

3.2.9. A Notice to Affected Persons has been circulated to all known Affected Persons and is available to view and download on the Company's website at: [www.concogrp.com](http://www.concogrp.com), under the "Business Rescue" tab.

3.3. Creditor Claims – All Creditor's Claims that were accepted in whole or in part were reflected in "Annexure F – List of Creditors of the Company (as amended)" to the Plan. Paragraph 3.3 of the Plan provides a Dispute Mechanism process for persons to resolve disputes related to Claims. Creditors who dispute any aspect of their Claim against the Company, are at liberty to follow such process.

3.4. Projects – The Company, its subsidiaries, and related CONCO Group companies, are engaged with projects across a number of regions, both locally (South Africa) and abroad (Africa and Middle East). Across all entities, there are approximately 80 projects that still require some degree of action. Of those 80 projects there are approximately 15 high-value projects that remain in active progress. As stated in the first status update report, we, together with the current management of the Company and its post-commencement finance ("PCF") funders, identified those projects which the Company intends or has the ability to complete. We are continuing to engage with the employers of key projects and with the relevant JV partners and sub-contractors and have informed relevant parties whether a project is earmarked to be completed by the Company. If you are unsure as to whether or not the project in which you are involved is continuing or not, and on what basis, you are encouraged to contact the relevant representative from the Company who will liaise with us.



- 3.5. PCF - As outlined in the Plan, the ongoing business rescue proceedings of the Company are wholly dependent on PCF from the PCF lenders, which facilitates the business rescue proceedings and allows the Company to continue to trade. To date, we have secured PCF payments in an amount of approximately R157m. Following the adoption of the Plan, the BRPs will endeavour to secure the further PCF required. PCF will continue to be needed until such time as a number of the key projects start to generate positive cash flows. These cash inflows will be utilised for the purposes of the business rescue as well as repayment of PCF.
- 3.6. Contracts - Section 136(2)(a) of the Act allows business rescue practitioners during business rescue proceedings to entirely, partially or conditionally suspend, for the duration of the business rescue proceedings, any obligation of the Company that arises under an agreement to which the Company was a party at the commencement date, and which would otherwise become due during the business rescue. Additionally, Section 136(2)(b) of the Act allows a business rescue practitioner during business rescue proceedings to cancel any obligation of the Company that arises under an agreement to which the Company was a party at the commencement date, and which would otherwise become due during the business rescue (whether or not he or she is entitled to do so in terms of the terms of the contract) on application to Court. We continue to reserve the right to suspend or terminate any obligation, in accordance with the aforementioned provisions of the Act.
- 3.7. Employees' Committee Meetings – The third meeting of the Employees Committee was convened virtually by the BRPs on 19 February 2021. A representative of the Employees Committee also addressed the BRPs and Affected Persons at the Meeting convened on 12 March 2021. We will continue to communicate and engage with this committee throughout the business rescue proceedings.
- 3.8. Salaries and Wages – Employees have continued to be employed by the Company on the same terms and conditions as before business rescue and in accordance with the Labour Relations Act 66 of 1995. However, as employees have been advised, we maintain the view that, for the most part, they will not be receiving any increases or bonuses whilst the Company is in business rescue other than in respect of those employees who are contractually entitled (without discretion) to receive an annual salary increase and/or bonus in terms of an employment contract.



- 3.9. Creditors' Committee Meetings – A further meeting of the Creditors Committee was convened virtually by the BRPs on 19 February 2021. The BRPs will continue to engage with the Creditors Committee regarding the business rescue proceedings of the Company, as and when such engagement is required or requested.
- 3.10. Cost Reduction Initiatives – We continue with our ongoing efforts to reduce operating costs, wherever possible. This includes aggressive reductions in the employee headcount, office rental reductions, reduction and elimination of IT costs and various other general overhead reductions.
- 3.11. Cash Management - We continue to monitor the cash flow and financial position, control payments and enforce general controls in order to minimise the operating expenses of the Company. Funds in the form of PCF have been advanced by the guarantors to fund specific projects and working capital requirements.
- 3.12. Asset and Business Sales – We are continuing to engage with interested parties regarding the sale of the Company's assets, including those of subsidiary companies, operating divisions, properties and/or shareholdings, projects/claims and movable assets that may be disposed of in order to offset the PCF requirements, to provide working capital for the business rescue proceedings and ultimately for the benefit of Creditors of the Company.
4. If you have any queries, they may be directed to the business rescue team at: [www.concogrp.com](http://www.concogrp.com). All relevant notices circulated to Affected Persons of the Company, to date, have been published on the Company's website at [www.concogrp.com](http://www.concogrp.com), under the "Business Rescue" tab.

Yours faithfully,

A handwritten signature in black ink, appearing to be "PF van den Steen", written over a horizontal line.

**PF van den Steen**  
**Joint Business Rescue Practitioner**  
**Consolidated Power Projects (Pty) Ltd**

A handwritten signature in black ink, appearing to be "MDT Liebenberg", written over a horizontal line.

**MDT Liebenberg**  
**Joint Business Rescue Practitioner**  
**Consolidated Power Projects (Pty) Ltd**

**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](http://www.cipc.co.za)

**Business Rescue Status Report**

**Date:** 16 March 2021

**Customer Code:** WERKMP

**Concerning**

*(Name and Registration Number of Company)*

**Name:** Consolidated Power Projects Proprietary Limited

**Registration No:** 1963/006171/07

The above named company commenced business rescue proceedings on 02 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:**

