

**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

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Business Rescue Status Report

Date: 18 March 2020

Customer Code: bashol

Concerning

(Name and Registration Number of Company)

Name: Electron Technologies (Pty) Ltd

Registration No: 1973/006348/07

The above named company commenced business rescue proceedings on 27 September 2019.

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:

Basil Holford - Business Rescue Practitioner

Authorised Signature:



ELECTRON TECHNOLOGIES (PTY) LTD
FOURTEENTH STATUS REPORT FOR THE MONTH OF FEBRUARY 2021
OPERATIONS

This report is prepared in terms of Sect 132(3) of the Companies Act 71 Of 2008

CURRENT OPERATIONS

The company continues to operate without any post-commencement finance. It has obtained a number of new tenders and the prospects for the company are extremely promising. The Cape Town office continues to be monitored.

In order to meet current demands, it has been decided to split the company into three separate entities to provide more competitive operations and to meet the demands of the different markets in which it operates. These companies will be known as Electron Durban (Pty) Ltd, Electron Africa (Pty) Ltd and Electron Global (Pty) Ltd. These companies are in the process of being formed and will be effective 1 March 2021. In terms of a shareholders' agreement to be entered into between the various companies, the existing pre-business-rescue will be protected and will be paid as set out in the approved business rescue plan. These companies will fall under the control of the business rescue for the duration of the business rescue of Electron Technologies (Pty) Ltd. No dividends will be paid to the shareholders by these companies until the creditors of Electron Technologies (Pty) Ltd are paid in full.

A further dividend was paid to creditors in the first week of March 2021, bring the total debt repayment to 32,5% of the pre-business rescue debt.

EMPLOYEES,

There have been no further reports of Covid 19 within the employee structure.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

The issue of B-BBEE is raising its head and whereas the Companies Act has, in Sect 5 placed itself above all other statutes other than certain ones prescribed in that section in order to protect all creditors as is the requirements of business rescue, the Broad-Based Black Economic Empowerment Act has been amended to give it priority over the Companies Act. This is obviously in conflict with preferences and protections given in Chapter 6 of the Companies Act dealing with business rescue as it imposes additional expenditure on the companies in order to maintain their BEE status, which is prejudicial to the creditors and employees of the companies in business rescue. This matter has been referred to the South African Institute of Chartered Accountants to make representation to the powers that be, to make the necessary amendments. Obviously this issue has a significant impact on Electron in order to retain its current BEE status.

FUTURE PROSPECTS

Prospects for the year to 28 February 2022 are looking good and the operations are fully occupied. New tenders have been awarded and there are number of potential tenders in the pipeline.

We are finding both customers and suppliers extremely supportive during this period of business rescue as they see the benefits of the company's actions to place it in business rescue, materialising.

Basil Holford

Business Rescue Practitioner

18 March 2021