



CONSOLIDATED
STEEL INDUSTRIES

11 August 2021

CONSOLIDATED STEEL INDUSTRIES (PTY) LIMITED
(In Business Rescue) ("CSI" or the Company")

**SECTION 132(3)(A) REPORT TO AFFECTED PERSONS
FOR THE MONTH ENDED 30 JUNE 2021**

The Company's directors and duly appointed Business Rescue Practitioners ("**BRP's**") have pleasure in submitting their report on the trading performance and financial position of the Company for the month ended 30 June 2021 ("**8th Monthly Report**").

Previous monthly reports to Affected Persons issued are herein after referred to as follows:

- **1st Monthly Report** – for the month ended 30 November 2020
- **2nd Monthly Report** – for the month ended 31 December 2020
- **3rd Monthly Report** – for the month ended 31 January 2021
- **4th Monthly Report** – for the month ended 28 February 2021
- **5th Monthly Report** – for the month ended 31 March 2021
- **6th Monthly Report** – for the month ended 30 April 2021
- **7th Monthly Report** – for the month ended 31 May 2021

TRADING AND PROFIT MARGINS

Sales revenue for the month of June 2021 reached an amount of R102 million. In that same period the actual gross profit reached R18 million, with operating profits of R8,9 million.

As referred to in the 7th Monthly Report, GRS has been able to procure enough stock from both international and local suppliers to meet the demand requirements. AMSA's downstream production processes continued to generate sufficient levels of galvanised and pre-painted coil to enable GRS to maintain its minimum stocking levels of raw materials thereby ensuring normal stock levels for the GRS business.

THE STALCOR WIND-DOWN

The sale of STALCOR stock has been completed, with some debtors' collections still underway. It is believed that the balance will be collected during the month of August 2021. No further provisions for doubtful debts are expected.

CASH FLOW

Cash flows have been well managed by the BRPs and management up till the end of June 2021 when the sale of GRS became effective. Accordingly, the business has been performing according to projections which show an improvement of the operational cash flows of the business.

Consolidated Steel Industries (Pty) Limited (Reg No. 2006/031549/07)

Directors: CJ Ransome C.A.(S.A.)

Address: Cnr. Quality and Barlow Roads, Isando, 1601, Gauteng, South Africa

Tel: +27 11 898 2900

SALE OF GRS

As mentioned in previous reports, CSI has concluded a sale of the business of GRS as a going concern, to Newco, an SPV held by a private equity firm, Rockwood (Pty) Ltd. The conditions precedent for the sale were fulfilled at the end of June 2021, and accordingly GRS was transferred to Newco under the agreement.

This Newco has now assumed the name of Global Roofing Solutions (Pty) Ltd, which has taken the responsibility and risk for the ongoing business of GRS. All existing employees of GRS have moved across to the new Global Roofing Solutions as of the 1st July 2021. The new company is wished all the best in their endeavours.

SUBSTANTIAL IMPLEMENTATION

The business rescue process for CSI has essentially come to a point of preparing for substantial implementation. For substantial implementation to occur, the remaining affairs of CSI need to be wound down in preparing to hand over the company to its shareholders. It is estimated that this process will take between three (3) and six (6) months from July 2021.

CONCLUSION AND APPRECIATION

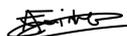
CSI, and in particular, GRS continue to be grateful for the support shown by customers, suppliers, financiers and landlords. Even though substantial implementation is yet to be filed, the BRPs and former management team of CSI view this as a successful turnaround that has managed to save over 380 jobs ahead of a sale to a more stable environment with a new shareholder.

We wish the staff and new shareholders, all the success in the future as Global Roofing Solutions.

Thank you.



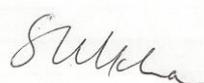
Chris Ransome
Executive Chairman



Andrew Winter
Chief Executive Officer



Ian Fleming
Business Rescue Practitioner



Sello Mkhondo
Business Rescue Practitioner