

Message from the Chairman

Once again it is time to reflect on the past year and look at the year ahead.

The past year has seen Clotex virtually do an about turn both from its functional and its financial perspectives and to a large degree having achieved more than 70% of the goals set last year. This has been due mainly to the commitment and dedication of its staff and the support of the executive. A special mention must go to Averil Appollis for her commitment to sustainability and unceasing dedication to SMME development.

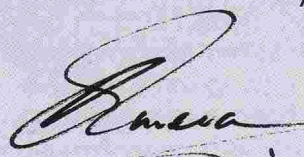
Clotex has embarked on many initiatives in the past year which has not only brought valuable funding into its coffers but has also contributed significantly to the overall small business development and the establishment of vital business linkages. Clotex has maintained its focus on training and facilitation of SMME development with several projects having been launched successfully and some being ready for launch.

The Trading House project has taken up much time and effort of staff and executive members but we are happy to say that it is now only weeks rather than months away from the launch. We have the assurance from NPI that the business plan will be ready soon and by the time our AGM comes around, we should already have achieved interim launch. Already the first order via the Trading House is in the process of being executed and should have been delivered by the time the AGM takes place.

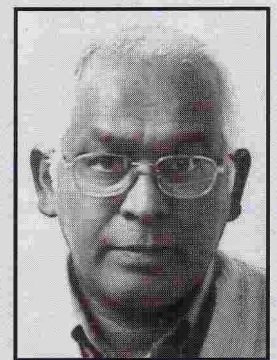
Clotex has also consolidated its linkages and interaction with National and Provincial Government where there is general synergy with our vision and government policies at both levels, for the re-vitalisation of the clothing industry. We have consulted with government on various issues such as the closure of small clothing companies, the proposals for Clotex to become a national body representative of the SMME sector in the clothing industry. We have forged working links with other NGO's, Parastatals and with the formal sector of the clothing industry. There is strong consensus that the industry can only survive and grow through a concerted effort by all sectors of the industry.

The year ahead looks decidedly more optimistic than it has done for many years. It is intended that we formalize the structure of the Trading House and capitalize on the order enquiries that we have received thus far. Our priority will be to increase production capacity to address the gap left in the local market while at the same time looking at the export market in close co-operation with the Advisory Committee which will be established as an integral part of the Trading House. This committee will cover a broad spectrum on Manufacturing, Marketing, Tertiary and other major role players. Clotex has already started negotiations for funding to set up infrastructure but ultimately the Trading House will be "self-sustaining".

With the Boards blessings I shall make myself available for a further year in order to take some of the initiatives through to conclusion but I must look at the future of Clotex with new blood at the helm and with new and young ideas coming to the fore.



Yusuf (Joe) Emeran



Chairman
Yusuf (Joe)
Emeran