

# MESSAGE FROM THE CHAIRMAN

The last year has seen Clotex consolidate its position both from the point of view of operational infrastructure and also financially. Our success rate on projects has exceeded all expectations and new projects are constantly in the offing. In short, Clotex has reached a stage where it is being sort out to either take on or assist with specific projects and there is an acceptance in the industry that Clotex provides a valuable service and above all, Clotex can deliver. Within the context of training, SMME development and mentoring, we have maintained our core focus and seen a significant uptrend in activities.

The trading House project has made good progress but I shall leave my deputy Stuart Gottschalk to report in more detail as he has taken full responsibility for the project. I in turn have focused on areas of networking, funding and general issues within the industry. Our team work has resulted in general recognition of Clotex to the extent that we now are an integral part of the Cape Town Nederburg Fashion Show and we hope to capitalize on this for the benefit of all SMME's in the CMT sector.

In last years report I made mention of consolidating our linkages with Provincial Government and I can report that we have now also developed a good working relationship with Cape Town Unicity. Our relationship has covered areas of project management and funding and this has also been the case with the Department of Labour with whom we have jointly completed several projects. In addition to all this we have thus far completed a pilot project with the Department of Correctional Services which we hope will ultimately lead to a long term contract. Finally we have started discussions with the clothing and textile SETA which we hope will lead to Clotex taking on one or two of the learnership levels which is currently not being catered for.

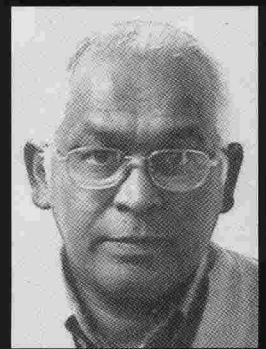
The year ahead looks like it is going to be exceptionally busy and either I or whoever takes over will have to allocate considerable time and resources in order to finalise all the projects that are in the pipeline. It is intended that the Trading House will be fully on line in the year ahead and we have already started on putting the necessary legal infrastructure in place. We have also networked with some of the financial institutions in order to facilitate the working capital that is so badly needed in the CMT sector. To this end we have also networked with private sector investors who are interested in the concept of a Trading House where the proceeds are utilized for economic development.

I must take this opportunity to once again thank the Board for its support and especially to thank Averil and her staff for the wonderful job they are doing in carrying out the Boards policies and in many cases going beyond what can be reasonably expected of them, and all for the benefit of Clotex. To the new staff members I would like to say welcome and I hope you will find satisfaction in what you are doing at Clotex and we thank you for your commitment.

I shall make myself available for a further year, always assuming that the Board wants me to carry on.



YUSUF (JOE) EMERAN



Chairman  
Yusuf (Joe)  
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