



Huawei Technologies Africa (Pty) Ltd

Huawei Office Park, Building 16, 124 Western Services Road,
Woodmead EXT.20, Johannesburg, 2191
South Africa

www.huawei.com/za

Private Bag 89
Benmore 2010
Johannesburg
Tel: +27 (0) 11 -517 9800
Fax: +27 (0) 11 -517 9801

03 Dec 2018

THE PORTFOLIO COMMITTEE ON SMALL BUSINESS DEVELOPMENT AND ECONOMIC TRANSFORMATION

Att.: The Chairperson, Ms. N Bhengu

Per Hand

Dear Madam,

**RE : DIGIWIRE TECHNOLOGY CC // HUAWEI TECHNOLOGIES
AFRICA (PTY) LTD**

We refer to the above mentioned matter.

As a level 3 B-BBEE contributor, Huawei is further committed to the development of small, medium and micro-sized enterprises ("SMMEs") in South Africa. In this regard we have invested in the region of R10 000 000.00 (Ten Million Rand) in Enterprise and Supplier Development. The beneficiaries of this investment have received assistance from Huawei to enable them to be financially and operationally independent. Huawei has also invested in training these beneficiaries to ensure that they are equipped with the requisite knowledge and skills to be able to meet the project deliverables and to be able to compete in the market.

In the spirit of supporting SMMEs, Huawei committed at the last portfolio committee meeting to revisit the claim by Digiwire for unpaid invoices to the value of R818, 416.88.

After careful and thorough consideration of the claims made by Digiwire, we were unable to confirm the veracity of same. However even though we were / are under no legal or other obligation to do so a payment to the value of R440, 832.23 was made to Digiwire on 12 Oct 2018. A value of R377, 629.65, relating to an undisputed duplicated payment made by Huawei to Digiwire, was deducted from the claim of R818, 416.88.

The above payment was made by Huawei in full and final settlement of the dispute between the parties and without admitting any liability, fault, wrongdoing or actual indebtedness.

We also re-issued Work completion certificates for the sites where they have in fact completed the work as per their contractual obligations.

Registration No. 2005/038288/07

Directors: Christina Naidoo, Fan Wen (Chinese), Habiba Surtee, Li Dafeng (Chinese), Li Peng (Chinese), Paulos Sello Mahlangu, Sindile Lester Peteni, Xu Qinghua (Chinese).

SHQ/T-164/HUAWEI TECHNOLOGIES AFRICA (PTY) LTD

Rev1.03



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In light of the above it is our view that we have now taken all reasonable steps to bring this matter to finality however Digiwire has issued new invoices which does not form part of the initial claim referred to Parliament.

After careful and thorough consideration of the new claims made by Digiwire, we were unable to confirm the veracity of same and in light hereof and the above it is our view that we have now taken all reasonable steps to finalise this dispute.

Our failure to deal with or address any specific allegation, claim or statement made by Digiwire or Me. Govender should not be deemed as an admission in any way or form and do our rights remain strictly reserved.

We trust that you will find the above in order.

Yours faithfully,

A handwritten signature in black ink, appearing to be "张洁" (Zhang Jie), written in a cursive style.

HUAWEI TECHNOLOGIES AFRICA (PTY) LTD

Deputy CEO

Jacky Zhang

Registration No. 2005/038288/07

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