

Attention: **All Affected Persons**

Group Five Construction Proprietary Limited (In Business Rescue)

Attention: **Companies and Intellectual Property Commission**

businessrescue@cipc.co.za

Delivered by Email

Displayed –

- Registered Office and Principal Place Business of the Company and anywhere where Employees are Employed
- Published on the Website Maintained by the Company and Accessible to Affected Persons

Hand Delivered to the Trade Unions

11 July 2019

STATUS REPORT FOR GROUP FIVE CONSTRUCTION PROPRIETARY LIMITED (IN BUSINESS RESCUE)

- 1 In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("**Act**") when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to –
 - 1.1 prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
 - 1.2 deliver the report and each update to each affected person and to the Companies and Intellectual Property Commission ("**CIPC**").
- 2 This requirement is applicable to Group Five Construction Proprietary Limited (In Business Rescue) ("**Company**").

Group Five Construction (Pty) Ltd

Reg No 1974/003166/07

Directors: TC Kgogo AJ Clacher NM Humphreys KR Maharaj

2 Eglin Road, Sunninghill, 2191

Postnet Suite 500 Private Bag X26 Sunninghill 2157 South Africa
Tel +27 10 060 1555 Email info@groupfive.co.za Web www.groupfive.co.za

3 Accordingly, we, the business rescue practitioners ("**BRPs**"), hereby provide you with the second report on the status of the Company's business rescue proceedings.

4 Since the first status report of 11 June 2019, the following has occurred -

4.1 Creditors Committee - A creditors' committee was formed and is being chaired by an independent chairman, Mr Laher. The rules governing this committee were under its consideration. In this regard, the BRPs were invited to attend a meeting of this committee on 11 July 2019. At this meeting the rules were finalised.

4.2 Director Resignations - Judith Nzimande tendered her resignation as executive director of the Company, with effect from 09 May 2019.

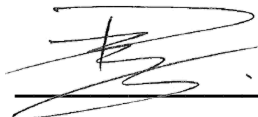
4.3 Extension of the Date for the Publication of the Plan - the BRPs received the requisite support from creditors to extend the date for the publication of the business rescue plan from 28 June 2019 to 30 August 2019. The BRPs are working on the business rescue plan and are aiming to publish the plan by 30 August 2019.

4.4 Asset and Business Sales - We continue to engage in numerous sale processes related to subsidiary companies, operating divisions, properties and/or shareholdings that may be disposed of in order to relieve the burden of the secured debt owed by the Company (and/or by its direct and indirect subsidiaries) as well as to provide working capital for the business rescue proceedings.

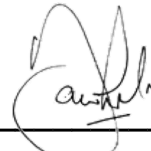
4.5 External Auditors - The Company's external auditors, PricewaterhouseCoopers Incorporated ("**PWC**") resigned as auditors of Group Five on 2 July 2019. PWC resigned as auditors for the Group for the financial year that commenced on 1 July 2018. The Board of Group Five have commenced the process of appointing new auditors.

- 4.6 Post-Commencement Finance and Construction Contracts – As per the Business Rescue Status Report of 11th June 2019, there continue to be a number of projects that are at various stages and for which post-commencement finance has been provided, or mechanisms have been put in place to ensure the completion of such projects.
- 5 Since inception of business rescue proceedings payments under certain guarantees have been called for and made, amounting to approximately R 105.1 million. There have also been further notices received calling for payment under other guarantees, however, these notices are being considered and may, where appropriate, be defended. Updates regarding further payments under the guarantees will be provided in future reports.
- 6 If you have any queries, they may be directed to G5constructionptyltd@groupfive.co.za. All relevant notices circulated to the affected persons of the company, to date, have been published on the company's website at www.g5.co.za.

Yours Faithfully,



Peter van den Steen



Dave Lake

Joint Business Rescue Practitioners of Group Five Construction (Pty) Ltd. (in business rescue)