

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 after publication

January 2020

BUSINESS RESCUE STATUS UPDATE 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) ("**the Company**").
3. This report is for the month of January 2020 and is published as an update to the business rescue status report for the month of December 2019 published to affected persons and filed with the CIPC.

Group Five Construction (Pty) Ltd

Reg No 1974/003166/07

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4. Capitalised words not otherwise defined in this report shall have the meaning ascribed to them in the Business Rescue Plan for the Company published on 30 August 2019 ("**Plan**").
5. Accordingly, we, the business rescue practitioners ("**BRPs**") hereby provide you with the eighth report on the status of the Company's business rescue proceedings.
6. Since the seventh status report of December 2019, the following can be reported:
 - 6.1. Asset and Business Sales – We continue to engage in numerous sale processes related to subsidiary companies, operating divisions, properties, assets and/or shareholdings that are available for disposal. The asset and business sale process remains ongoing and on track and in accordance with the adopted Plan.
 - 6.2. Post-Commencement Finance – As per all previous Business Rescue Status Update Reports, there continue to be a number of projects that are at various stages and for which post-commencement finance has been provided, or in respect of which mechanisms have been put in place to ensure the completion of such projects.
 - 6.3. Construction Contracts – Remaining project-linked activities are stable with the majority of project executions continuing to progress as planned. Since the inception of business rescue proceedings, payments under certain guarantees have been called for and made. However, the remaining guarantee-linked activities are stable with the majority of project executions progressing as planned.
 - 6.4. Litigation etc. – There continues to be a number of existing litigation, arbitration and adjudication matters with which the Company is involved that are currently ongoing.
 - 6.5. Retrenched Employees Severance Package Payments – As outlined in the Plan, the BRPs stated their intention to pay all outstanding severance package payments due to employees who were retrenched by the Company, and who are recognised as Preferent Employees in terms of the Plan, by the end of the first quarter of 2020. The Company paid all Preferent Employees 50% of the total respective severance package entitlement that is due to them, in December 2019. The balance has been paid during the January 2020 period.
7. Disputed Creditors
 - 7.1. In the Plan, "Disputed Creditors" are defined as persons who have "Disputed Claims" or who allege that they are "Creditors", but, who dispute the amount for which their "Claim" is reflected in Annexure B of the Plan, they are also considered persons who dispute the class in which they are reflected in Annexure B, and / or

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who dispute the existence and / or value of their security as reflected in Annexure B. Thus, "Disputed Claims" are any claims, or parts thereof, not recognised in the Plan.

- 7.2. In Section 10 of the Plan, a "Dispute Resolution Mechanism" was set out for "Disputed Creditors" to resolve "Disputed Claims", in an expedited manner and at minimum cost to all parties concerned.
- 7.3. The Company has dealt with all disputes submitted and for the most part, the disputes have been resolved. The BRPs are confident that the few remaining "Disputed Claims" and revised claims will be resolved with creditors of the Company in a timeous manner through the process set out in the "Dispute Resolution Mechanism".

8. ABANDONMENT AND RESULTANT EXPUNGEMENT OF CLAIMS

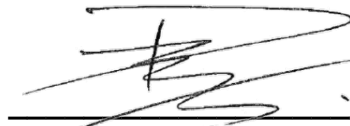
- 8.1. We draw your attention to clauses 1.3.21, 1.3.22, 6.24.2, 6.24.4, 6.29.1.3, 7.10.2, and 10 of the duly approved Plan.
- 8.2. Having regard to these clauses, any person who has an alleged claim against the Company that is not recognised, whether in full or in part, in the approved business rescue plan, and who has failed to meet the time periods contemplated in clause 10, has abandoned its/his/her alleged claim (i.e. waived its/his/her rights) against the Company.
- 8.3. As such, any such person's alleged claim against the Company has been expunged and is therefore no longer enforceable, in terms of Section 154 of the Companies Act 71 of 2008.
9. If you have any queries, they may be directed to the BRPs at:
G5constructionptyltdBR@groupfive.co.za.
10. 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, under the Business Rescue tab.

Yours faithfully,



Dave Lake

Joint Business Rescue Practitioners of Group Five Construction Proprietary Limited (in business rescue)



Peter van den Steen

Group Five Construction (Pty) Ltd

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