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

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19 September 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**").

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

4 Since the third status report of 15 August 2019, the following has occurred -

4.1 Publication of the Plan – The BRPs published the Business Rescue Plan for the Company ("**Plan**") on 30 August 2019. The plan was distributed to affected persons and is available for download on the Company's website (www.g5.co.za) under the Business Rescue Tab for the Company.

4.2 Meeting in terms of Section 151(2) of the Companies Act 71 of 2008 -

4.2.1 Notice was given of a Meeting in terms of Section 151(2) of the Companies Act 71 of 2008 to all known creditors and all other affected persons of the Company. The meeting was convened on Wednesday, 11 September 2019 at 11h00 at The Rosebank Union Church, 38 St Andrews Road, Sandton Johannesburg.

4.2.2 Prior to the voting on the Plan, the BRPs noted a minor semantic amendment to the Plan, being the deletion of the word 'Unsecured' in paragraph 6.27.1.3., which was approved and consented to by the creditors present at the meeting and by the BRPs.

4.2.2.1 The paragraph in the Plan originally stated: "**6.27.1.3. Unsecured PCF Creditors, who will rank in the order in which such PCF is provided;"**

4.2.2.2 The amended paragraph in the Plan now states: "**6.27.1.3. PCF Creditors, who will rank in the order in which such PCF is provided;"**

4.2.3 Votes were cast on the Plan, as amended aforesaid, and **96.2%** of creditors and any other holders of a voting interest **voted in favour** of the Plan and **3.8%** of creditors and other holders of a voting interest **voted against** the Plan.

4.2.4 **88% of the Company's creditors** cast their votes at the meeting or by proxy.

4.2.5 For the Plan to be adopted and binding on the Company, it must be supported by the holders of more than 75% of the creditors' voting interests that were voted and the votes in support of the proposed plan must include at least 50% of the independent creditors voting interests, if any, that were voted.

4.2.6 Thus the Plan was approved with an overwhelming majority.

4.3 External Auditors – The Company has appointed BDO South Africa Incorporated as the external auditors of the Company. The auditors have begun the audit process.

4.4 Creditors Committee - The BRPs held the fourth meeting of the creditors committee with committee members and their Independent Chairman, Haroon Laher, on 19 August 2019.

4.5 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.

4.6 Post-Commencement Finance – As per the Business Rescue Status Report of 15 August 2019, 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.

4.7 Construction Contracts – 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. Four more projects have been brought back on line. A total of approximately 60 projects are currently running.

5 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)