

Basil Read Holdings Limited
Incorporated in the Republic of South Africa
Registration Number 1984/007758/06
Share Code: BSR ISIN: ZAE 000029781
("Basil Read Holdings") or "the company")

BASIL READ LIMITED PLACED IN BUSINESS RESCUE

Basil Read Limited ("Basil Read") is a wholly owned subsidiary of Basil Read Holdings, which houses the Construction division.

Basil Read's Construction division has for some time been experiencing cash flow difficulties emanating from, amongst other reasons, mismatched cash inflows and cash outflows.

As a mitigant to such difficulties, Basil Read endeavoured to raise bridge funding from a consortium of lenders, for the finalization of the construction contracts, against the provision of security, pending anticipated cash inflows to be sourced from the disposal of noncore assets, finalisation of various contracts, and the successful implementation of various operational action steps.

Regrettably, after protracted negotiations with such consortium of lenders, Basil Read was advised on 14 June 2018 that the majority of such consortium of lenders were not prepared to make such bridge funding available to Basil Read in an informal process, that is, outside of business rescue.

Absent such bridge funding, and pursuant to having obtained the prerequisite legal and accounting advice, the Board determined that Basil Read was or would be facing circumstances constituting "financial distress" within the meaning of the Companies Act 71 of 2008 ("Companies Act").

As a result, the Board of Basil Read advised Basil Read Holdings that it has commenced with voluntary business rescue proceedings as provided for by section 129 of the Companies Act.

Basil Read has also resolved to appoint Siviwe Dongwana of Adamentem Chartered Accountants and John Lightfoot of Matuson and Associates as business rescue practitioners.

The requisite documents were lodged with the Companies and Intellectual Property Commission ("CIPC") on 14 June 2018, and Basil Read awaits confirmation of filing from the CIPC.

Shareholders will be updated as further material information becomes available.

Boksburg

15 June 2018

Company secretary

Andiswa T Ndoni

JSE Sponsor

Grindrod Bank Limited