

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")

UPDATE TO THE BASIL READ LIMITED BUSINESS RESCUE PLAN

Shareholders are referred to the announcements previously released on SENS regarding the Basil Read Limited Business Rescue proceedings and are advised that the Business Rescue Plan is in the process of being implemented.

Given that the Business Rescue proceedings of Basil Read Limited have not been concluded within three months of the commencement thereof the Business Rescue Practitioners publish a monthly update report in terms of section 132(3)(a) of the Companies Act 71 of 2008 ("Companies Act"). In this regard, the Fifth and Sixth Updates are available on www.matusonsassociates.co.za/basilread/ along with the Business Rescue Plan and these Update Reports should be read in conjunction with the Business Rescue Plan.

The Fifth and Sixth Update Reports covering the period of February to May 2019, provided significant developments relating to the following:

1. As previously reported the majority of the over 20 construction contracts at the commencement of the business rescue have been completed or terminated. Of the remaining contracts, the status is as follows:
 - a. Three (3) contracts continuing to completion.
 - b. Five (5) contracts are in the process of being descope or ceded to other contractors.
 - c. Three (3) have been handed over to clients and the company is engaged in defects remediation process.
2. The performance guarantees have been reduced from R1.1 billion at the outset of business rescue proceedings to approximately R744 million. Negotiations with various

- employers are on ongoing to ensure that no further calls on guarantees are made. This significantly reduces the contingent liability risk on the business.
3. The company continue to pursue a number of contractual claims that are in excess of R200million. Year to date 2019, claims totaling R34million have been settled and company utilized those proceeds towards the repayments of Post Commencement Finance.
 4. With the exception of the employees required to assist with the completion of the contracts (including the various Medupi contracts), and the remaining staff at Head Office, all other employees have been retrenched and will receive their full retrenchment packages.
 5. The company continued to sell via auctions, all surplus Plant and Equipment ("P&E"). The proceeds of these sales will be utilised to repay inter-alia, Post-Commencement Finance ("PCF") advanced, retrenchment costs and other business rescue related costs 2019.
 6. The Group has found new premises and intends to vacate the Basil Read Campus in order to substantially reduce the costs for the Company and its continuing business.
 7. The BRPs continue to pursue expressions of interest from a number of parties for the remaining non-core assets. With respect to the mining and development businesses, The BRPs have in turn appointed an independent sales advisor has been appointed to value the business and to adjudicate on any potential offers received. This process is ongoing.

The business rescue practitioners remain of the view that a full implementation of the Plan will achieve a better result than a liquidation.

From a Basil Read Holdings Limited perspective, the implementation of the Business Rescue Plan continues; however, its effect at a group level remains until it is completed. Therefore, the suspension will remain in place until the implementation is complete and the effects on the group can be determined.

Boksburg
28 June 2019

Company secretary
Emmaus Holdings (Pty) Limited

JSE Sponsor
Grindrod Bank Limited