

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 on 28 June 2019 Basil Read Limited (a subsidiary of the Company) 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 nine updates reports 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 seventh to the ninth reports covering the period from June to September 2019, provide for the following significant developments:

1. The status of construction contracts is as follows:
 - a. Eleven (11) Contracts have been completed;
 - b. A further four (4) contracts were ceded, with the support of the client, to other contractors to complete;
 - c. 5 contracts were terminated by the employers or JV partners, however, only two (2) of those resulted in the performance guarantees being called;
 - d. Basil Read cancelled two (2) contracts; and
 - e. There remain two (2) contracts that Basil Read is completing.
2. The above status demonstrates significant progress in meeting a key objective of the Business Rescue Plan which was to facilitate the completion of loss-making

construction contracts which will minimise the risk of the performance guarantees being called and further burdening the balance sheet. In this regard the contingent liability of these guarantees has been reduced from R1.141bn to R575m.

3. The other objective of the Business Rescue Plan was to maximise the value of construction claims. In this regard the Business Rescue Practitioners have reported that the process is time consuming, tedious and costly. They have however, noted significant positive victories particularly in the TCTA and Transnet contracts. In these two instances the DAB ruled in the favour of the company for a significant number of claims and reversal of negative certificates. The company continues to pursue the other outstanding claims which are substantial. The success in the recovery of these claims will impact materially on the end result of the business rescue process
4. The sale of the non-core assets remains an objective of the Business Rescue Plan. In this regard, shareholders are referred to announcement regarding the sale of the Head Office Properties. It was further announced that the Group has moved to new premises enabling a significant reduction of the operating costs.
5. The retained businesses, being the Mining and Development business, which are not in business rescue continue to perform well and remain self-sustaining. The BRPs have appointed an independent sales advisor to value the Mining business and adjudicate on potential offers for the business.

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 of Basil Read Limited continues. However, its effect at a group level remains uncertain 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.

Bedfordview
8 October 2019

Company secretary

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