

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 8 January 2020 in relation to the Business Rescue proceedings for Basil Read Limited ("BRL"), a subsidiary of the Company,

Given that the Business Rescue proceedings of BRL 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, twelve update reports are available on [www.matusonsassociates.co.za/basilread/](http://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 latest reports being the eleventh and twelfth report covering the period from January to May 2020, provides for the following significant developments:

1. There are three (3) construction contracts that are still active versus twenty-seven (27) contracts at the beginning of rescue proceedings. Majority of the contracts have been completed, ceded or descoped amicably. Only four (4) contracts were terminated
2. The aggregate contingent liability in the form of performance and retention guarantees have been reduced to R264.8million versus R1.1bn at the beginning of the rescue proceedings.
3. The business has been significantly impacted by Covid-19 virus and the subsequent national state of emergency

declared by the South African Government on 26 March 2020 and State of Emergencies declared in Botswana, Namibia, Lesotho and Swaziland. This resulted in all site activities being suspended.

4. Some site activities were allowed to resume at the beginning of May 2020, but it is anticipated that this disruption will delay the completion of the remaining contracts by a minimum of two months
5. BRL continues to pursue contract claims; however, the process remains time consuming, tedious and costly. The Company has however managed significant success in the resolution of many such claims. The claims processes have also been impacted by the Covid-19 related lockdowns, particularly the matters that were to be heard in Courts or Arbitration. The resumption of these matter remains uncertain as there has not been clarity on when the Courts will resume allocating dates.
6. The Mining Services and Developments Businesses, were also adversely impacted by the pandemic with various clients declaring force majeure and certain long-term contracts being terminated with several retrenchments as a result, particularly within the Mining Business.
7. However, these businesses have managed to preserve cash in order to remain sustainable despite the impact of this pandemic.
8. The business rescue practitioners remain of the view that a full implementation of the Plan will achieve a better result than a liquidation.

9. 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

19 June 2020

Company secretary

Emmaus Holdings (Pty) Limited

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