

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 announcement released on SENS on 23 September 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/ along with the Business Rescue Plan and these Update Reports should be read in conjunction with the Business Rescue Plan.

The latest report being the fourteenth report covering the period from September to November 2020, indicates that the following matters remain unchanged:

1. There are 2 (2) construction contracts that are still active versus twenty-seven (27) contracts at the beginning of rescue proceedings. The remaining contracts are Rosetta Water Works Plant - Umgeni Water and Medupi Buildings - Eskom. These contracts are expected to be completed in the first quarter of 2021
2. The aggregate contingent liability in the form of guarantees have been reduced to R154 million versus R1.1bn at the beginning of the rescue proceedings.

3. BRL continues to pursue contract claims; however, the process remains protracted, costly, and has been adversely impacted by the Covid-19 related lockdowns. Notwithstanding these challenges BRL has been successful in obtaining favourable rulings with respect to certain of these claims. Unfortunately, Employers unlawfully continue withholding payments flowing from these rulings. Consequently, the Company has had to take additional legal action to enforce the rulings. The Mining Services and Developments Businesses continue operating.
4. The business rescue practitioners remain of the view that a full implementation of the Plan will achieve a better result than a liquidation.
5. 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.
6. Due to the ongoing business rescue process of BRL, the Company has not been able to release its most recent financial results for the period ending 30 June 2020 and will not be in a position to release financial results for the period ending 31 December 2020.

Bedfordview

22 December 2020

Company secretary
Emmaus Holdings (Pty) Limited

JSE Sponsor
Grindrod Bank Limited