

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 22 December 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 ("BRPs") publish a monthly update report in terms of section 132(3)(a) of the Companies Act 71 of 2008 ("Companies Act"). In this regard, fifteen 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 report being the fifteenth, indicates the following matters:

1. The Group continued operating steadily despite Covid-19 challenges and has implemented health protocols to limit the of virus. . In this regard, a cumulative total of 94 employees tested positive for Covid-19, 89 of whom have since recovered and 1 deceased..
2. The status of the two (2) active construction contracts reported previously is as follows:

- a. Umngeni Water - Rosetta Water Treatment Plant project was completed in the beginning of March 2021.
  - b. Eskom - Medupi Buildings project is anticipated to to be completed in May 2021
3. The aggregate contingent liability in the form of guarantees have been reduced to R119 million versus R1.1 billion at the beginning of the rescue proceedings.
  4. BRL continues to pursue contract claims as it relies heavily on claims proceeds to meet its commitments. . However, the claims process has been protracted, costly, and has been adversely impacted by the Covid-19 related lockdowns. The BRPs have been successful in obtaining favourable rulings with respect to certain of these claims, notwithstanding these challenges. Unfortunately, Employers unlawfully continue withholding payments flowing from these rulings, therefore additional legal action to enforce the rulings are required. Thus, the timing of receipts of funds for these claims remains uncertain.
  5. The BRPs have reported no further developments in the realisation of the non-core assets given the prevailing depressed economic conditions domestically and globally because of the Covid-19 pandemic. However, the BRPs are optimistic that this may change as the economic conditions improve.
  6. The Mining business has entered preferred bidder negotiations with clients in South Africa and Botswana. These negotiations when concluded in the coming weeks, will effectively increase the order book by more than R1.5

bn and will replace the two major contracts that were terminated at the beginning of the Covid-19 pandemic lockdowns in Q1 2020.

7. The business rescue practitioners remain of the view that a full implementation of the Plan will achieve a better result than a liquidation.
8. 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.
9. Due to the ongoing business rescue process of BRL, the Company will not be in a position to release financial results for the period ending 31 December 2020.

Bedfordview

1 April 2021

Company secretary

Emmaus Holdings (Pty) Limited

JSE Sponsor

Grindrod Bank Limited