

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 26 March 2021 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, seventeenth 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 report covering the period from March 2021 to July 2021, indicates the following matters:

1. The Group continued operating steadily despite Covid-19 challenges and continues with monitoring the implemented health protocols to limit the spread of virus.
2. The construction contracts that existed at the commencement of the business rescue proceedings have been completed, achieving one of the key objectives of the business rescue plan. A number of the completed contracts are in the defects liability period, which is anticipated to end in March 2022
3. The quantum of aggregate contingent liability in the form of construction guarantees have been reduced to R119 R93

million versus R1.1bn at the beginning of the rescue proceedings

4. BRL continues pursuing contract claims a. However, the claims process has been protracted, costly, and has been adversely impacted by the Covid-19 related lockdowns. BRL has 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 legal action to enforce the rulings is 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. .
6. The business rescue practitioners remain of the view that a full implementation of the Plan will achieve a better result than a liquidation.
7. 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.
8. Due to the ongoing business rescue process of BRL, the Company will not be in a position to release interim financial results for the period ending 30 June 2020.

Bedfordview

30 July 2021

Company secretary

Emmaus Holdings (Pty) Limited

JSE Sponsor

Grindrod Bank Limited