

Attention: **All Affected Persons**

Group Five Limited (in business rescue) ("**the Company**")

Attention: **Companies and Intellectual Property Commission**

[businessrescue@cipc.co.za](mailto:businessrescue@cipc.co.za)

Delivered by Email

Displayed

- Registered Office and Principal Place Business of the Company and anywhere where Employees are employed
- Published on the Website Maintained by the Company and Accessible to Affected Persons

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July 2020

## **BUSINESS RESCUE STATUS UPDATE REPORT FOR GROUP FIVE LIMITED**

1. In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, the business rescue practitioners ("**BRPs**") are required to –
  - 1.1. prepare a report on the progress of the business rescue proceedings and update it at the end of each subsequent month until the end of the business rescue proceedings; and
  - 1.2. deliver the report and each update to each affected person and to the Companies and Intellectual Property Commission ("**CIPC**").
2. This requirement is applicable to the Company.
3. This report is for the month of July 2020 and is published as an update to the status update report for the month of June 2020, circulated to all known affected persons and filed with the CIPC.

4. Capitalised words not otherwise defined in this report shall have the meaning ascribed to them in the approved Business Rescue Plan for the Company as published on 30 August 2019 ("**the Plan**").
5. Accordingly, we, the BRPs, hereby provide you with the fourteenth status update report of the Company's business rescue proceedings.

## 6. **Effects of the Coronavirus COVID-19 Pandemic**

Due to the economic and social consequences directly associated with the COVID-19 pandemic and the Lockdown of our country, the BRPs anticipate delays in the completion and realisation of multiple processes and objectives in the Business Rescue Proceedings of both the Company and Group Five Construction (Pty) Ltd. (in business rescue) ("**Group Five Construction**") – details of the latter business rescue proceedings are outlined in the Group Five Construction status update reports.

## 7. **General**

- 7.1. Delisting of the Company – At the commencement of the business rescue proceedings, trading of shares in the Company was suspended on the Johannesburg Stock exchange ("**JSE**"). As outlined in the Plan, the BRPs concluded that unfortunately, there was no realistic prospect of there being any residual value available for or attributable to the Company's shareholders and consequently, the issued shares of the Company have no value. In addition to this, the Company no longer complied or was unable to comply with a number of the JSE Listing Requirements. Thus, it was determined that the Company should be delisted from the JSE. The delisting process is now complete, and the Company is no longer listed on the JSE.
- 7.2. Asset and Business Sales – The sale process for Everite was temporarily suspended during the initial national lockdown period. However, the BRPs have monitored the situation and have subsequently received a credible and funded offer that is being pursued by the BRPs.
- 7.3. Group Five Construction – The legally separate business rescue process for Group Five Construction is ongoing. In this regard we enclose for your benefit the business rescue status update report that has simultaneously, with this

report, been sent to the affected persons of Group Five Construction. We again record that there currently remains no realistic prospect of any financial recovery by the Company from the Group Five Construction business rescue process.

- 7.4. Non-Executive Director Resignation – Mrs Reitumetse Jacqueline Alawa Pouatcha Huntley tendered her resignation as a non-executive director of the Company with effect from 30 June 2020.

## **8. Litigation**

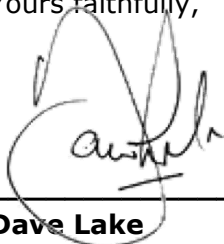
- 8.1. As outlined in the June 2020 Business Rescue Status Update Report for the Company, a group of Shareholders of the Company have instituted legal proceedings against the Company, its Affected Persons, its BRPs and the consortium of lenders who have been recognized as creditors of the Company.
- 8.2. The BRPs attorneys have filed a Notice to Oppose the application on behalf of the BRPs and the Company and the matter is ongoing.
- 8.3. We envisage that these legal proceedings may be lengthy and time-consuming. Having taken legal advice on the matter, however, we are satisfied that the actions we have taken thus far in the Company's business rescue proceedings have been appropriate.
- 8.4. The Company continues to actively pursue the resolution of all other disputes by means of negotiation or, where applicable, by means of litigation, arbitration and adjudication matters.

## **9. Disputed Creditors**

- 9.1. Details relating to Disputed Creditors the abandonment and resultant expungement of claims have been provided in the Plan and in earlier updates.
- 9.2. The BRPs are confident that the remaining Disputed Claims will be resolved with Disputed Creditors of the Company in a timeous manner through the process set out in the Dispute Resolution Mechanism provided in the Plan.

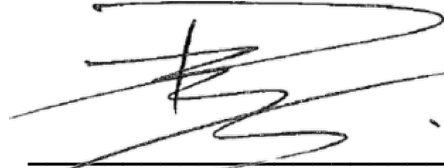
10. All relevant notices circulated to the affected persons of the company, to date, have been published on the company's website at [www.g5.co.za](http://www.g5.co.za), under the Business Rescue tab.

Yours faithfully,



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**Dave Lake**



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**Peter van den Steen**

**Joint Business Rescue Practitioners of Group Five Limited**