

- Delivered by Email To:** All known Affected Persons of Group Five Construction Proprietary Limited  
(in business rescue)  
Companies and Intellectual Property Commission
- Displayed:** Registered business address 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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June 2021

**BUSINESS RESCUE STATUS UPDATE REPORT FOR GROUP FIVE CONSTRUCTION PROPRIETARY LIMITED (IN BUSINESS RESCUE) ("COMPANY")**

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 CIPC.
2. Accordingly, we, the BRPs of the Company, hereby provide you with the twenty-fifth report on the status of the Company's business rescue proceedings.
3. 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**").
4. **Payment of first Distribution to Concurrent Creditors**
  - 4.1. Pursuant to paragraph 5.6 of the Plan, a first Distribution of 4 cents in the Rand has been made to certain Concurrent Creditors.
  - 4.2. A notice containing the details of this Distribution was circulated to the Creditors of the Company on 30th April 2021 and is available to view on the Company's website at [www.g5.co.za](http://www.g5.co.za), under the 'Business Rescue' Tab.

Group Five Construction (Pty) Ltd (in business rescue)

- 4.3. Concurrent Creditors who did not receive payment the first Distribution are, once again, encouraged to contact Nesh Singh, the Group Five Creditors Manager, by email on: [nsingh@groupfive.co.za](mailto:nsingh@groupfive.co.za), to confirm your company's Claim, banking details and/or to provide the necessary tax invoice.
- 4.4. The Company will make further payments in respect of the first Distribution to the Concurrent Creditors who have not yet received their payments on a monthly basis, once the relevant Concurrent Creditors have provided the Company with the correct and necessary documentation required and/or the Claim in question has become final.

## **5. Status Report on the Business Rescue Plan for the Company**

- 5.1. In accordance with section 7.5.17 of the Plan, the BRPs published and distributed an update report on the Plan in May 2021 (the "**Status Report**"). This report updated and informed Affected Persons on matters relating to the implementation and completion of Phase 1 and the commencement of the implementation of Phase 2 of the Plan.
- 5.2. The Status Report provides compressive details regarding several key aspects of the business rescue proceedings, including the matters summarised below:
  - 5.2.1. Asset Disposals: The majority of the business assets held by the Company and/or its subsidiaries, at the commencement of the business rescue proceedings, have been disposed of and the majority of the relevant proceeds received. A number of disposal processes are ongoing.
  - 5.2.2. Construction projects: The majority of the projects being undertaken by the Company at Commencement of business rescue, have either been completed, ceded, sold as part of a business sale or terminated. A small number of projects are ongoing.
  - 5.2.3. Guarantee Exposure: Group guarantee exposure has been reduced by some 83% (in value) since Commencement. This reduction process is ongoing.
  - 5.2.4. Overhead costs: The monthly overhead costs required to support the remaining operations of the Group have been materially reduced.
  - 5.2.5. Employees: Whilst there have been a number of retrenchments and resignations, a significant majority of the employees employed by the Group at Commencement

have retained their employment through the successful restructuring and/or the sale of operating entities, in which those staff members were employed.

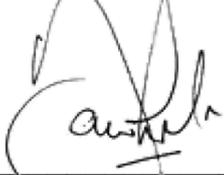
- 5.2.6. Closure of entities: The significant project to 'clean-up' the Group structure (which consisted of some 179 entities) is well advanced with the clean-up process ongoing.
- 5.2.7. Distributions to Secured Creditors: Distributions to the Secured Creditors, together with the reduction in their guarantee exposure, has resulted in the Secured Creditor Claims reducing from R4.5bn to R1.6bn. This represents a recovery of 63% of Secured Creditor Claims (since Commencement), compared to the 18% anticipated recovery for Secured Creditors estimated in the alternative scenario of a liquidation of the Company. Further Distributions are anticipated.
- 5.2.8. Distributions to Concurrent Creditors: Distributions in the amount of c. R137m have been made to, or provided for, Concurrent Creditors. This represents an initial Distribution of 4% of remaining Concurrent Creditor Claims at Commencement. This is comparable to the 3.4% total recovery for Concurrent Creditors estimated in the alternative scenario of a liquidation of the Company. Further Distributions are anticipated.
- 5.2.9. Dispute Resolution: Numerous disputes involving the Company and/or Group, in both formal and informal processes, have been either completed or settled with the relevant counterparties. A significant number of dispute resolution processes are ongoing.
- 5.2.10. Use of funds: Funds realised from the sale of assets and from operations (where such operations have provided net positive cashflows) have been utilised to fund the business rescue proceedings and the balance thereafter used to fund Distributions to Creditors
- 5.3. The aforementioned Status Report is available to view on the Company's website at: [www.g5.co.za](http://www.g5.co.za), under the 'Business Rescue' tab for the Company.

## 6. General

- 6.1. Construction Contracts – remaining construction contracts continue to be exited, ceded, completed and/or concluded by the Company.

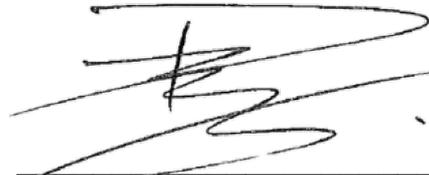
- 6.2. Asset and Business Sales – all remaining asset and business sale processes remain ongoing and broadly in accordance with the Plan.
  - 6.3. Other fund sources – the processes to liquidate and collect other fund sources available or potentially available to the Company and its Creditors continue to be pursued by the BRPs.
  - 6.4. Litigation – The Company continues to actively pursue the resolution of several litigation matters.
  - 6.5. Disputed Creditor Claims – The Company continues to actively examine and resolve all Disputed Creditor Claims, in accordance with the provisions set forth in the Plan.
  - 6.6. Clean-up – The clean-up of the Group structure continues to be executed.
7. Please note that this report and all other relevant documents and notices regarding the business rescue proceedings 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**  
**Business Rescue Practitioner**  
**Group Five Construction (Pty) Ltd**



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**Peter van den Steen**  
**Business Rescue Practitioner**  
**Group Five Construction (Pty) Ltd**

**Companies and Intellectual Property Commission  
Republic of South Africa**

**Form CoR 125.1**

**About this Form**

- This form is issued in terms of section 132 and 141 of the companies Act, 2008, and Regulation 125 of the Companies Regulations, 2011.
- This Notice and the attached report must be published to every affected person, and to-
  - a) The Commission, if the business rescue proceedings were started by the company; or
  - b) The court, if the proceedings were ordered by the court.
- A report and Notice must be issued at the end of the first three months of the business rescue proceedings, and at regular monthly intervals after that

**Contacting the Commission**

The Companies and Intellectual Property Commission of South Africa

**Postal Address**

PO Box 429  
Pretoria  
0001  
Republic of South Africa  
Tel: 086 100 2472

[www.cipc.co.za](http://www.cipc.co.za)

**Business Rescue Status Report**

**Date:** 30 June 2021

**Customer Code:** WERKMP

**Concerning**

*(Name and Registration Number of Company)*

**Name:** Group Five Construction Proprietary Limited

**Registration No:** 1974/003166/07

The above named company commenced business rescue proceedings on 11 March 2019.

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioner provides the attached report in terms of section 132 (3).

**Name and Title of person signing on behalf of the Practitioner:**

DAC Lake and PF van den Steen - Joint Business Rescue Practitioners

**Authorised Signature:**

