

Attention: **All Affected Persons**

Group Five Construction Proprietary Limited (In Business Rescue)

Attention: **Companies and Intellectual Property Commission**

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

Hand Delivered to the Trade Unions after publication

October 2019

STATUS REPORT FOR GROUP FIVE CONSTRUCTION PROPRIETARY LIMITED (IN BUSINESS RESCUE)

- 1 In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended ("**Act**") when the business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to –
 - 1.1 prepare a report on the progress of the business rescue, 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 Group Five Construction Proprietary Limited (In Business Rescue) ("**Company**").

Group Five Construction (Pty) Ltd

Reg No 1974/003166/07

Directors: TC Kgogo AJ Clacher NM Humphreys KR Maharaj

2 Eglin Road, Sunninghill, 2191

Postnet Suite 500 Private Bag X26 Sunninghill 2157 South Africa

Tel +27 10 060 1555 Email info@groupfive.co.za Web www.groupfive.co.za



- 3 Capitalised words not otherwise defined in this report shall have the meaning ascribed to them in the Business Rescue Plan for the Company on 30 August 2019 ("**Plan**").
- 4 Accordingly, we, the business rescue practitioners ("**BRPs**") hereby provide you, with the fifth report on the status of the Company's business rescue proceedings.
- 5 Since the fourth status report of 19 September 2019, the following has occurred -
- 5.1 Commencement of implementation of Phase Two of the Plan – The BRPs published the Plan on 30 August 2019. The Plan was distributed to affected persons and is available for download on the Company's website (www.g5.co.za) under the Business Rescue Tab for the Company. At the meeting held in terms of Section 151(2) of the Companies Act 71 of 2008, the Plan was voted on and adopted and thus became legally binding on all affected persons. The Plan set out three distinct phases of the business rescue of the Company and once adopted, phase two began to be implemented by the BRPs. Phase two is currently ongoing, as per the Plan.
- 5.2 External Auditors – The Company appointed BDO South Africa Incorporated as the external auditors of the Company. The auditing process is ongoing.
- 5.3 Chief Executive Officer and Director Resignation – Dr Thabo Kgogo, the interim CEO of Group Five Limited, tendered his resignation as CEO of Group Five Limited and as an executive director on the board of the Group Five Limited and Group Five Construction (Pty) Ltd. His resignation will take effect from 30 October 2019.
- 5.4 Asset and Business Sales – We continue to engage in numerous sale processes related to subsidiary companies, operating divisions, properties and/or shareholdings that may be disposed of in order to relieve the burden of the secured debt owed by the Company (and/or by its direct and indirect subsidiaries) as well as to provide working capital for the business rescue proceedings. Of particular note in the period under review is the entering into of binding agreements in respect of the sale of the SMEIP and Intertoll Europe businesses. The asset and business sale process remains on track and in accordance with the adopted Plan.
- 5.5 Post-Commencement Finance – As per all previous Business Rescue Status Reports, there continue to be a number of projects that are at various stages and for which post-commencement finance has been provided, or in respect of which mechanisms have been put in place to ensure the completion of such projects.

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5.6 Construction Contracts – Since the inception of business rescue proceedings, payments under certain guarantees have been called for and made. However, the remaining guarantee-linked activities are stable with the majority of project executions progressing as planned.

5.7 Litigation - There continues to be a number of existing litigation, arbitration and adjudication matters that the Company is involved with that are currently ongoing.

6 Disputed Creditors

6.1 In the Plan, "Disputed Creditors" are defined as persons who have "Disputed Claims" or who allege that they are "Creditors", but, who dispute the amount for which their "Claim" is reflected in Annexure B of the Plan, they are also considered persons who dispute the class in which they are reflected in Annexure B, and / or who dispute the existence and / or value of their security as reflected in Annexure B. Thus, "Disputed Claims" are any claims, or parts thereof, not recognised in the Plan.

6.2 In Section 10 of the Plan, a "Dispute Resolution Mechanism" was set out for "Disputed Creditors" to resolve "Disputed Claims", in an expedited manner and at minimum cost to all parties concerned.

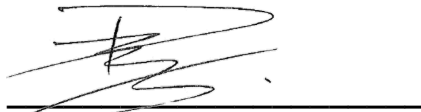
6.3 In terms of this "Dispute Resolution Mechanism", all Disputed Creditors were requested to notify the BRPs in writing within 30 days after the date of "Adoption" of the Plan (11 September 2019) of their intention to resolve the dispute. Thus, Friday the 11th October 2019 was the final date on which a "Disputed Creditor" could submit a "Disputed Claim".

6.4 A notice to affected persons was distributed and published on the Company's website on Friday 4th of October 2019 reminding all affected persons that the requirements (other than in respect of "Contingent Claims") of paragraph 10.3 of the Plan must have been met on or before 11 October 2019.

6.5 There were a number of "Disputed Creditors" who submitted "Disputed Claims". The Company is dealing with every dispute submitted and the BRPs are confident that all "Disputed Claims" and revised claims will be resolved with creditors of the Company in a timeous manner through the process set out in the "Dispute Resolution Mechanism".

7 If you have any queries, they may be directed to G5constructionptyltd@groupfive.co.za. 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.

Yours Faithfully,



Peter van den Steen



Dave Lake

Joint Business Rescue Practitioners of Group Five Construction (Pty) Ltd. (in business rescue)

**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

Business Rescue Status Report

Date: 25 October 2019

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:

