

**UPDATE TO EMPLOYEES FROM JOINT GROUP FIVE BUSINESS RESCUE PRACTITIONERS, PETER VAN DEN STEEN AND DAVE LAKE**

**25 March 2019**

As communicated to you on Friday, we are currently assessing the status and viability of all ongoing projects and contracts. This is a huge undertaking and we are working as fast as possible to inform teams, clients, joint venture partners, sub-contractors and suppliers of the status of each project and the way forward. We have confirmed with Group Five team leaders that in the interim period sites should not be demobilised until there has been engagement from Group Five representatives (as authorised and instructed by us) and that safety and stability on project sites are a priority.

It is important to understand that only the legal entities Group Five Limited and Group Five Construction Pty Limited were placed into business rescue. Although all other subsidiaries and holdings in the Group Five structure are either directly or indirectly owned by these two entities, these subsidiary companies, including those in the Investments & Concessions (or Developments & Investments and Operations & Maintenance) and Manufacturing clusters, continue to operate as going concerns and do not fall directly into the business rescue proceedings. This is also the case for Group Five's international subsidiaries and holdings.

We are therefore currently also assessing the status, contribution and needs of the Investments & Concessions and Manufacturing clusters, and how these should be dealt with in terms of the rescue. This includes the evaluation of expressions of interest that have been received, and the implementation of sales processes already underway, in respect of a number of these businesses.

In addition, we are in constant contact with the group's lenders with regards to their group exposures, and in an effort to obtain new funding in the form of "post commencement funding", also referred to as "PCF", to secure operational and employee stability.

As employees, you remain employed by the relevant company on the same terms and conditions on which you were employed before the commencement of business rescue proceedings.

We are trying our utmost to maintain continuity for you. However, given the financial distress within Group Five and certain projects, as well as activities going forward, it may be necessary to implement further retrenchments over and above the retrenchments that were identified and in progress before the commencement of business rescue proceedings. We will communicate this as soon as possible.

We also want to confirm that the intention of business rescue is for us to consider various options, in consultation with all relevant stakeholders, with a view to develop a plan which could, given time, be implemented and result in the successful rescue the company. If we believe there is a reasonable prospect that the companies may be rescued, we will prepare business rescue plans for consideration and possible adoption at a special meeting held with affected persons that have a right to vote on the proposed plan.

We will continue to update you on a regular basis, as we understand how challenging it is to continue working in these uncertain times.