



ADAMANTEM



MATUSON
ASSOCIATES

Basil Read Limited (in business rescue)
Registration number 1962/002313/06
(“The Company”)

September 2018

**Report to the Companies and Intellectual Property Commission
and to all Affected Persons**

In Terms of Section 132 (3) (a) of the Companies Act 71 of 2008 (“Act”)

Prepared by:

John Lightfoot and Siviwe Dongwana – Joint Business Rescue Practitioners (“joint BRPs”)

Directors: Siviwe Dongwana | Les Matuson | Bongani Nkasana | Piers Marsden | John Lightfoot
Suite 23, Building 2, Oxford & Glenhove, 114 Oxford Road, Houghton Estate, Johannesburg, 2196

1. Introduction

1.1. The Business Rescue Proceedings of the Company have not been concluded within three months of the date of commencement thereof, and therefore as required, this report, being the **First Update Report**, is being tabled in terms of Section 132 (3) (a) of the Act.

1.2. Reference is made in this report to the Business Rescue Plan ("Plan"), it is therefore important that this report be read in conjunction with the Plan.

2. Salient Dates

2.1. The following summary sets out the salient dates on which certain events have taken place / will take place -

Event	Date
Board Resolution to Commence Business Rescue Proceedings, filed at the CIPC	14 June 2018
Commencement of Business Rescue	15 June 2018
Appointment of BRPs	15 June 2018
First Employees' and Creditors' Meeting	29 June 2018
Request for Approval of Extension for Publication of Plan	12 July 2018
Approval of Extension for Publication of Plan	16 July 2018
First Employees' Committee Meeting	27 July 2018
Creditors' and Construction Contract Committee Meetings	15 August 2018
Publication of Plan	20 August 2018
Meeting to Consider the Plan and Adjournment	3 September 2018
Adjourned Meeting to Consider the Plan	27 September 2018

3. The Plan

3.1. The Plan was published to all affected persons on 20 August 2018.

3.2. The prime objectives of the Plan are to -

3.2.1. Facilitate the completion of Construction Contracts in progress, where possible.

3.2.2. Realise maximum value from the following assets -

3.2.2.1. Contract Claims.

3.2.2.2. Assets Identified for Sale.

3.2.2.3. Immovable Property.

3.2.2.4. Surplus Construction Plant and Equipment; and

3.2.2.5. Non-core investments.

3.2.3. Optimise and preserve value of the Retained Businesses.

3.2.4. Optimise value and balance the interests of Affected Persons and Related Parties.

3.2.5. Achieve and pay a Business Rescue Dividend that is better than a dividend that would arise from the immediate liquidation of the Company.

3.2.6. Restrict job losses to a minimum.

3.2.7. Mitigate, as far as practically possible and with the assistance of Employers, the contingent risks of Guarantors.

4. Meeting to Consider the Plan

4.1. The meeting convened in terms of section 151 of the Act to consider the Plan was held on 3 September 2018 and, upon request being made by certain creditors, it was unanimously agreed to adjourn the Meeting.

4.2. The Adjourned Meeting to consider the Plan is scheduled to take place on 27 September 2018.

5. Proof of Claims

To date, there remains a large number of claims outstanding and creditors who have yet to submit their claims are encouraged to do so.



6. Conclusion

It is the opinion of the BRPs that a Business Rescue in terms of this proposal will result in a better return than would result from the immediate liquidation of the Company.