

ESOR CONSTRUCTION (PTY) LTD

REGISTRATION NUMBER: 1998/004367/07

BUSINESS RESCUE STATUS REPORT IN TERMS OF SECTIONS 132 AND 141 OF THE COMPANIES ACT,
2008 READ WITH REGULATION 125 OF COMPANIES ACT FILED BY THE BUSINESS RESCUE
PRACTITIONERS J F KLOPPER & LDR VAN DER MERWE

	Date
Board of directors passes resolution for Business Rescue on	2018-08-08
File notice of resolution with CIPC on	2018-08-13
Publish notice to affected parties-within 5 days from Filing	2018-08-17
Company nominates a BRP within 5 days of filing	2018-08-14
CIPC confirms the appointment of BRP	2018-08-14
File notice to CIPC on BRP appointment within 2 days	2018-08-14
Publish notice to affected parties of BRP within 5 days	2018-08-17
First meeting of creditors-10 days from appointment	2018-08-24
First meeting of employees-10 days from appointment	2018-08-24
Publish Business Plan within 25 days of appointment of BRP on	0000-00-00
Notice of meeting to determine Business Plan	0000-00-00
Meeting to determine Business Plan 10 days after publication	0000-00-00

1. Esor Construction (Pty) Ltd was placed under Business Rescue in terms of Section 129(1) of the Companies Act 2008 (“the Act”) on 13 August 2018.
2. Esor Construction (Pty) Ltd complied with the requirements of Section 129(3)(a) and (b) of the Act.
3. Johannes Frederick Klopper and Liebenberg Dawid Ryk Van Der Merwe were licensed by the Commission in respect of the company and appointed as Business Rescue Practitioners (BRPs) to this company on 14 August 2018 in terms of Section 138 of the Act.

4. In terms of a resolution adopted by all by all creditors present, at the First meeting of creditors on 24 August 2018, the date for the publication of the Business Rescue Plan (“BR Plan”) by the business rescue practitioners was extended to 31 October 2018.
5. A special meeting of major creditors representing more than 65% of the aggregate voting interest was held on 17 October 2018 wherein approval was obtained to defer the publishing of the BR Plan to 12 February 2019.
6. This will enable the business rescue practitioners to evaluate current equity and investment proposals from a number of interested parties and be in a position to possibly offer a better outcome to all affected parties than merely present a plan that would see the activities of Esor Construction shrink to a level of providing specialist geotechnical services while downscaling the Pipelines and Civils activities.
7. The following is the status of the Group and projects:
 - 7.1. Esor Limited shares suspended on 17 August 2018;
 - 7.2. The first employees meeting was held on 24 August 2018.
 - 7.3. The first creditors meeting was held on 24 August 2018.
 - 7.4. The projects that had been suspended by the BRP and ultimately led to terminations of these projects are:
 - 7.4.1. Claremont Clinic,
 - 7.4.2. AE du Toit Building at University Pretoria,
 - 7.4.3. De Kraal Sports facility’ and
 - 7.4.4. Lateral support work at Kriel
8. Funding has been provided by guarantors to complete a number of projects:
 - 8.1. Northern Aqueduct Ph1,
 - 8.2. Norther Aqueduct Augmentation,
 - 8.3. Western Aqueduct Ph1’

8.4. Vuwani Pipeline in Vembe

9. A number of projects are still being discussed with and approval sought to cede/assign or subcontract the works in an attempt to finalise the projects with the least disruption and costs, these negotiations are taking longer to finalise than originally expected and include:
- 9.1. Casa Mia building project for Joshco;
- 9.2. Ezulwini reservoir project for Swaziland Water and Sanitation.
- 9.3. Esor Construction has further withdrawn from the LUSIP JV in Swaziland and all obligations will fall to the JV partner who has taken over responsibility for the project.
10. Operations outside the Esor Construction (Pty) Ltd entity (in Business Rescue) is continuing largely unaffected. This would include operations in Botswana and Zimbabwe.
11. On-going meetings are held with ABSA and guarantors to ensure all are updated on progress and status of projects and funding.
12. Through retrenchments and natural nutrition, the headcount of the South African operations has reduced by 363 employees since 1 August 2018 to 30 September 2018.
13. Liquidity constraints in Esor Construction (Pty) Ltd has a knock-on effect into the rest of the operating entities and are monitored on a daily basis.
14. On 17 October 2018 creditors with a majority voting interest agreed to the postponement of the date of publication of the business rescue plan to 31 October 2018 and then to 12 February 2019.



J F KLOPPER AND L D R VAN DER MERWE

BUSINESS RESCUE PRACTITIONERS

Date: 30 November 2018