

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 ('the company') was placed under Business Rescue in terms of Section 129(1) of the Companies Act 2008 ("the Act") on 13 August 2018.
2. The company 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 enabled the business rescue practitioners to engage with investment proposals from interested parties. Discussions with these parties took place in November 2018 and they engaged with and submitted funding applications to financiers.
7. The following is the status of the Group and projects:
  - 7.1. Esor Limited - placed under business rescue on 20 November 2018 and the first meeting of its creditors held on 5 December 2018;
  - 7.2. Esor Uitvlugt (Pty) Limited - placed under business rescue on 20 November 2018 and the first meeting of its creditors held on 5 December 2018;
  - 7.3. Esor Africa (Pty) Limited - placed under business rescue on 20 November 2018 and the first meeting of its creditors held on 5 December 2018;
  - 7.4. The projects that had been suspended by the BRP in 2018 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
  - 7.5. In January 2019 the company suspended the Casa Mia building project for Joshco and the company 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.
8. Funding has been provided by guarantors to complete the following 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. Ezulwini reservoir project for Swaziland Water and Sanitation.
10. Operations of entities outside South Africa are continuing largely unaffected. This would include operations in Botswana and Zimbabwe.
11. Ongoing discussion were 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 515 employees from 1 August 2018 to 31 December 2018.
13. Liquidity constraints in the company 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.
15. The BRPs intend meeting the deadline to publish a business rescue plan by 12 February 2019.



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**J F KLÖPPER AND L D R VAN DER MERWE**  
**BUSINESS RESCUE PRACTITIONERS**

**Date: 31 January 2019**