

## **ESOR LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 1994/000732/06)

JSE code: ESR

ISIN: ZAE000184669

("ESOR")

### **DELISTING ANNOUNCEMENT**

#### **1. Introduction**

Shareholders are advised that Esor has made application to the JSE Limited ("JSE") to delist the Company (the "Delisting"), which application was approved by the JSE on 13 May 2020.

The purpose of this announcement is to advise shareholders of the rationale and salient dates and times of the Delisting.

#### **2. Rationale for the Delisting**

- 2.1. Esor Limited's major subsidiary Esor Construction (Pty) Ltd was placed into business rescue on 13 August 2018 and subsequently, Esor Limited was placed into business rescue on 20 November 2018, after a meeting of directors of the Issuer where it was unanimously resolved that the Issuer be voluntarily placed into business rescue proceedings in accordance with Chapter 6 of the Companies Act, No 71 of 2008. Esor Limited shares was suspended on 17 August 2018.
- 2.2. In terms of the Business Rescue proceedings, the Board of Esor Construction (Pty) Ltd appointed joint business rescue practitioners ("BRPs") who assumed control of the Company and commenced the preparation of a business rescue plan in terms of Section 150 of the Companies Act (the "Business Rescue Plan"). The Business Rescue Plan was approved and adopted by creditors on 5 March 2019.
- 2.3. In terms of the Esor Limited Business Rescue proceedings, the Board of Esor Limited appointed the business rescue practitioner ("BRP") who assumed control of the Company and commenced the preparation of a business rescue plan in terms of Section 150 of the Companies Act (the "Business Rescue Plan").
- 2.4. The BRP convened a meeting with the major stakeholders of the company on 26 February 2020 at which feedback was provided in relation to the actions taken to date and steps taken to find a possible investor which have to date proved to be unsuccessful, and considering the current economic environment is not foreseen soon. The BRP confirmed that he has determined that, based on the present situation that prevails in South Africa, it is highly unlikely that a restructuring proposal will be tabled that will provide that value could be returned to the company's shareholders. The only possible return might be on a pro rata basis to the company's creditors and, consequently, the issued shares of the Company have no value.
- 2.5. In addition, ESOR no longer complies, or will no longer be able to comply, with the JSE Listings Requirements in various material respects including:
  - The company does not have a board of directors which complies with the provisions of the Requirements. The Issuer currently has one executive director

and does not have a financial director and no non-executive directors who all resigned during 2018;

- no board committees are in existence following the resignations as set out above and various resignations from key personnel, and therefore Esor does not comply with the King IV Code on Corporate Governance;
- Esor does not have auditors or a company secretary. KPMG officially resigned as auditors on 28 February 2020 but has not done work for the Issuer since November 2018 and the company secretary resigned in November 2018;
- Esor has been unable to release audited financial results, with the last financial results having been released on 31 July 2018 which contained an operating loss of approximately R300 million (including fair value adjustment) and which is below the requirement of an audited profit of at least R15 million before taxation and after taking account of headline earnings adjustments on a pre-tax basis.
- Esor does not comply with paragraph 4.28(a) of the Requirements, being the requirement to have subscribed capital of at least R50 million since 2018, nor does Esor comply with paragraph 4.28(c)(i)(a) of the Requirements, being the requirement to have profit before tax of at least R15 million since 2013.

2.6. Accordingly, the Delisting will be implemented on the dates and times set out in paragraph 3 below.

### 3. Salient dates and times

The salient dates and times for the Delisting are as follows:

Last day to trade for the Delisting	Monday, 15 June 2020
Record date for the Delisting	Friday, 19 June 2020
Removal of Esor Limited listing from the JSE	Monday, 22 June 2020

20 May 2020

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