

Retrenchments on the cards as Group Five files for business rescue

NEWSWATCH: Construction and engineering firm Group Five has filed for business rescue following severe cash-flow difficulties due to several of its projects running at a loss. Retrenchments are impending, but numbers are yet to be finalised - the organisation currently employs more than 7000 people.



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Trading of its shares on the JSE was suspended at 89 cents on Tuesday, 12 March.

While Group Five has received interest from a number of potential buyers looking to purchase some of its assets, the possibility of stakeholders seeing any value from these transactions is "very slim", said Dr Thabo Kgogo, acting CEO of Group Five, in an interview with CNBC.

Succumbing to the prolonged downturn in the South African construction industry, Group Five is just one of a number of construction firms in the country to enter business rescue in recent times - others include Basil Read and Esor.

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