Legend Housewares (Pty) Ltd (In Business Rescue)

Registration Number: 2001/008094/07

Business rescue status report in terms of Sections 132 and 141 of the Companies Act, 71 of 2008 read with Regulation 125 of the Companies Act filed by the business rescue practitioner Christopher Rey

31 July 2026

1. Important Information and Actions

• Board of directors passes resolution for Business Rescue on	27/03/2026
• Notice of resolution filed with CIPC on	27/03/2026
• Notice to affected parties on filing for Business Rescue on	07/04/2026
• Company nominated a BRP on	27/03/2026
• CIPC confirmed certification of BRP on	27/03/2026
• File notice to CIPC re BRP appointment on	27/03/2026
• Publish notice to affected parties of BRP appointment on	07/04/2026
• First meeting of creditors held on	14/04/2026
• First meeting of employees held on	14/04/2026
• Publish Business Plan on/ due by	12/05/2026
• Publish notice of meeting to consider proposed Business Rescue Plan on	12/05/2026
• Meeting to determine the future of the business held on	28/05/2026

2. Current Status of Business Rescue Proceeding

2.1 Kindly note that this status report must be read together with all previous status reports, where applicable, and that the information contained in this status report is a record of events and/or information that have transpired subsequent to the publication of the previous month’s status report.

3. Meeting to determine the future of the business

3.1. A meeting of creditors was convened on 20 May 2026, in terms of Section 151 of the Act, to consider and vote on the proposed Business Rescue Plan ("BR Plan"). As previously advised, this meeting was postponed to 27 May 2026 and thereafter to 28 May 2026.

3.2. The meeting was chaired by the appointed Business Rescue Practitioner ("BRP"), Mr Christopher Raymond Rey, during which the BR Plan was formally presented to creditors in accordance with Section 152 of the Companies Act No 71 of 2008 ("the Act").

3.3. A vote was conducted in terms of Sections 152(2)(a) and 152(2)(b) of the Act and the BR Plan was duly adopted, having received 96% support from creditors present and voting.

3.4. The BRP circulated a copy of the adopted BR Plan and annexures thereto, to all affected persons on the 17th of June 2026, together with the transcription of the section 151 meeting.

4. Progress report on the implementation of the adopted business rescue plan

4.1. In terms of section 152(5) of the Act, the Company, under the direction of the BRP, must take all steps to attempt to satisfy any conditions on which the BR Plan is contingent, and implement the BR Plan, as adopted.

4.2. The Company and the BRP have executed the sale of the business of the Company and are in the process of collecting the outstanding debtors of the Company, and the remaining movable assets which were not sold as part of the sale of the business.

4.3. At paragraph 23 of the adopted BR Plan, the BR Plan sets out the order of preference to apply regarding distributions to be made to proven creditors and the BRP has commenced with payments to the secured creditors being Standard Bank, Investec, the Landlord and certain post business rescue expenses.

4.4. In terms of paragraph 22.9 of the adopted BR Plan, the adopted BR Plan provides as follows:

"To the extent that the proceeds from the sale of the *Assets* and *Business* and the collection of the *Debtors* of the *Company* are not sufficient to comply with the business rescue proposal set out in paragraphs 18.1 to 22.8 above, the sole *Shareholder* and Director Mr Shaun MacPhail has undertaken to pay the shortfall to the *BRP* for distribution to the *Creditors* and in satisfaction of the business rescue proposal".

4.5. At present, it appears that there will be a shortfall from the proceeds of the sale of assets, business and collection of debtors of the Company, to satisfy the proposal to creditors, as set out in the adopted BR Plan.

4.6. The BRPs attorneys of record have accordingly made demand of the sole *Shareholder* and Director, Mr Shaun MacPhail, to make payment to the BRP of the full shortfall in order that the BRP may implement the proposal to creditors, as set out in the adopted BR Plan.

4.7. Despite demand, Mr MacPhail has only made a partial payment towards the shortfall to the BRP in terms of his undertaking to creditors in the adopted BR Plan.

4.8. The BRP therefore took legal advice and has invoked the dispute resolution mechanism contained in the adopted BR plan by referring the matter to arbitration with the Arbitration Foundation of South Africa (AFSA), for final determination.

4.9. The BRP has also engaged with Investec, who have agreed to release a portion of the debtors of the Company that are subject to their security, in order for the BRP to make payment of the amounts due to the retrenched employees, pursuant to their retrenchment packages.

4.10. The BRP and his legal advisors have also agreed to back rank their unpaid fees in favour of payment of the retrenched employees, despite the order of preference to apply in the adopted BR plan.

4.11. The BRP and the Company shall continue to implement the BR plan, as adopted.

Christopher Rey
Business Rescue Practitioner