SWORN STATEMENT
IN SUPPORT OF
THE GROUNDS ON WHICH A
RESOLUTION TO BEGIN BUSINESS
RESCUE PROCEEDINGS IN RESPECT OF
LEGEND HOUSEWARES (PTY) LTD ("THE
COMPANY")
WAS BASED

I, the undersigned,

Macphail
SHAUN ANDREW ~~MACHPHAIL~~
(ID No. 6208285163088)

do hereby make oath and state that:

1. I am an adult male businessman.

2. The Company's registration number is 2001/008094/07 with its registered office address at Stand 221 Building, Paddock Lane B, Cnr Epsom Avenue and Malibongwe Drive, Northriding, Randburg, Gauteng, 2188.

3. The contents of this sworn statement are true and correct and unless stated otherwise the facts contained herein fall within my own personal knowledge and belief.

4. I am the sole director and the Managing Director of the Company. As such I am duly authorised to depose to this sworn statement as I hereby do.

5. This sworn statement is made in compliance with Section 129(3)(a) of the Companies Act 71 of 2008 ("the Act").

THE COMPANY

6. As stated I am the sole director of the Company.

7. I am also the sole shareholder of the Company.

8. The Company's main business is the buying and selling of a wide variety of houseware goods, such as but not limited to appliances, cookware and utensils.

9. The Company commenced trading in 1996. Since then and up until now, the Company has successfully established itself in the houseware goods market.

10. The Company has 30 employees.

11. The Company's Public Interest Score ("PIS") as last calculated is 144.

12. For the reasons set out below:-

12.1 it is reasonably unlikely that the Company will be able to pay its debts as and when they fall due for payment over the ensuing 6 (six) months;

12.2 the Company is thus "*financially distressed*" as this term is defined in section 128(1)(f) of the Companies Act 71 of 2008 ("the Act");

12.3 the Company has a reasonable prospect of being rescued in line with the definition in section 128(1)(b) of the Act.

CAUSES OF FINANCIAL DISTRESS

13. The Company's financial distress arises from *inter alia* an accumulation of the following:-

13.1 A decline in the profitability of the houseware goods market over the last two years. This decline in profitability has had a significant impact on the revenue coming into the Company and sales have decreased from 2022. Notwithstanding the current downturn, the houseware market does fluctuate and ideally, once rescued, the Company will be able to reach its envisaged targets.

13.2 With the decrease in revenue, the Company has been hampered from being able to buy the same volume of stock as in previous years and the Company is currently having to pay rent for a warehouse which is too large for the amount of stock which it currently has on hand. The rentals payable on the warehouse have remained high, whilst the Company has suffered with lower revenue and sales, and this has had a significant impact on the financial distress of the Company.

13.3 I have had no option but to retrench and not replace 5 employees over the past year as the Company simply cannot trade and survive without having to reduce the amount of employees it pays salaries and other benefits too. As referred to below under the heading "LEGAL PROCEEDINGS", that the Company initiated and is currently undergoing a retrenchment process in terms of section 189 of the Labour Relations Act 66 of 1995 ("**the Labour Relations Act**") with respect to a further 3 employees.

13.4 In addition to the above, I have facilities with Investec Bank Limited ("**Investec**") and Standard Bank Limited ("**Standard Bank**"). The Company is making monthly payments to Investec and Standard Bank. We have currently fallen into arrears with Investec, however we are up to date on payment with Standard Bank.

13.5 Previously, any arrears with Investec have been managed proactively and in active engagement with the relevant parties at Investec. As part of this ongoing engagement with Investec, a meeting was held on 23 March 2026 to discuss how to proactively manage the arrears. At this meeting, I was informed that Investec intend to perfect their general notarial bond and will not allow me to trade with the current stock on hand, suggesting that we change our business model to a cash only enterprise.

13.6 It was agreed to postpone the meeting to 24 March 2026, for me to present a proposal as to how the Company will pay back the full facility of R10 (get amount), instead of the outstanding arrears of approximately 2.2 million, on the instance of Investec.

13.7 At the meeting on 24 March 2026, I agreed to put together such a proposal and relay it to Investec and their attorneys. On the afternoon of 24 March 2026, I dispatched the proposal to Investec's attorneys for payment of the full amount of the facility for a period of 11 months and notably included in this offer a tender to Investec to perfect their general notarial bond, subject to allowing the Company to continue trading with the stock to enable it to service the terms of the proposal. It was important for me to trade with the stock in the ordinary course in order to realise market related values for such stock.

13.8 I presented a commercially sound proposal to Investec to pay them back in full within 11 months, but Investec have refused my proposal on, inter alia, the basis that they are not receiving the full amount immediately with interest being catered for at 2% a month.

13.9 This arrangement would be prejudicial to other creditors and it was important for me to ensure that other creditor rights were not kept in abeyance. In addition, the accelerated payment of the full amount would be a catalyst to cause financial distress to many trading companies in a reasonable commercial environment and erode much of the value that could be attained by trading in the normal course and realising the full potential value for the stock held by the Company, which value would substantially exceed the total claim of Investec.

13.10 As director of the Company, I am obliged to consider business rescue and to act in the best interests of the Company.

13.11 This Company can be saved, along with the jobs and livelihoods of the employees, but saving it requires the breathing room provided by the moratorium in terms of section 133 of the Companies Act and an opportunity to implement a commercial business rescue plan, as dealt with fully below.

14. In the result:

14.1 the Company finds itself "*financially distressed*" as this term is defined in terms of Section 128(1)(f) of the Act and for the reasons set out below, there is a reasonable prospect that the Company can be rescued; and

14.2 on 27 March 2026, the director of the Company resolved that the Company be voluntarily placed into business rescue as envisaged in section 129(3) of the Act. The resolution will be filed evenly with this sworn statement.

PROSPECTS FOR RECOVERY IN BUSINESS RESCUE AND PRELIMINARY PLAN TO ADDRESS FINANCIAL DISTRESS

15. There is a reasonable prospect of rescuing the Company. I say so for *inter alia* the following reasons:

15.1 business rescue proceedings will afford the Company breathing space (per the moratorium) to allow its business rescue practitioner to negotiate viable trading terms for the Company and/or to engage with new potential investors and/or purchasers and/or funders all with a view to rendering the Company solvent, and failing that, to wind down its assets or business to achieve a better return for the Company's creditors and/or shareholders than would result from the immediate liquidation of the Company.

15.2 the Company currently has stock to the value of approximately R15 000 000.00 at cost price (2 500 000 on vessels in transit), which if sold on the market in the ordinary course of business, should realise an approximate gross value of R30 000 000.00. If this stock were to be sold in a "fire-sale" as done in liquidation, I cannot foresee it being realised at anything more that approximately a gross value of R6 000 000.00.

15.3 the Company's customers are mainly blue-chip customers (many listed entities) and are reliable payers of the debts which they owe to the Company;

15.4 if given breathing space for a short period of time and a chance to bolster its income and revenue, restructure its liabilities and balance sheet then there is a reasonable prospect that the Company can successfully restructure its affairs;

15.5 the business remains asset-backed, revenue-generating, and under continued experienced management and oversight;

15.6 with 30 years of experience in this industry, I have the necessary acumen, with the assistance of the business rescue practitioner to implement a successful rescue;

15.7 with the involvement of an experienced business rescue practitioner, the Company may be able to negotiate a post-commencement finance facility to assist with its restructuring and potentially find an investor/buyer for the Company; and

15.8 in this regard, I have already scheduled a meeting with a potential investor/buyer of the Company for as early as this afternoon.

16. It is for, inter alia, these reasons that I hold the view that there are reasonable prospects for the rescue and recovery of the Company through utilising the business rescue processes envisaged in Chapter 6 of the Act.

17. It must be recorded that piecemeal enforcement by individual secured creditors, including removal of assets, stock or diversion of debtor payments, would materially destroy the Company's going-concern value to the prejudice of creditors collectively.

18. A very important factor in rescuing the Company is the preservation of jobs. All efforts should be made under the circumstances then to rescue the Company and preserve these jobs.

LEGAL PROCEEDINGS

19. To the best of my knowledge, there are at present no liquidation proceedings that have been initiated by or against the Company.

20. The Company is involved in the following legal processes:

20.1 the Company is currently running a retrenchment process in terms of section 189 of the Labour Relations Act with respect to [3] employees. The Company has demonstrated that it has a genuine operational requirement due to its financial distress. The process has been run using a fair selection procedure. The Company has had meaningful consultation with the employees who are subject to the process. The employees concerned were given a considered opportunity to make representations during the consultation and the procedure has been stringently followed to comply with section 189 of the Labour Relations Act.

20.2 as mentioned above there are proceedings launched by Investec to perfect their security.

DEPONENT

Thus signed and sworn to before me, at Paarl on this the 27th day of March 2026, by the deponent who has acknowledged that she knows and understands the contents of this affidavit, that she has no objection to taking the prescribed oath and that the prescribed oath is binding upon her conscience.

COMMISSIONER OF OATHS

Name: BENEDICT CLIFFORD ASIA

Designation: FAURE & FAURE INC
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Paarl
Commissioner of Oaths Kommissaris van Ede
Ex Officio Practising Ex Officio Praktiserende
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