MILNEX 587
Reg No. 2023/594481/07 VAT No. 4070232022
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Springfield Park, Durban, 4001
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Notice to affected persons

30 June 2026

REPORT IN TERMS OF SECTION 132(3)(a) and (b) OF THE COMPANIES ACT 71 OF 2008 (AS AMENDED) ("the Act')

MILNEX (PTY) LIMITED (IN BUSINESS RESCUE) (REGISTRATION NUMBER 2023/594481/07) ("the Company")

Dear Affected Person

1. The Company commenced business rescue proceedings voluntarily by board resolution on 25 February 2026 and appointed John Evans as its business rescue practitioner ("BRP") on 27 February 2026.

2. I refer to my previous progress report and update issued on 27 May 2026. I hereby provide my June 2026 month-end report and update on the Company's business rescue process.

Sale of Business and or assets

3. The BRP has been working very hard to try and sell the assets and business of the Company and continues to pursue this potential sale. It is clear that a sale of these assets and business in situ will ensure substantially better and higher prices for the assets in question. The good news is that there is lots of interest in the assets from willing and able purchasers for the Company's business and/or assets.

4. During June 2026 the BRP:

    4.1. Held a meeting with the lenders who financed the plant & equipment and vehicles, to discuss and secure their support for a sale process that would maximise values for these assets and in the process pay a higher dividend to creditors than they would receive if the Company was placed in liquidation.

    4.2. The BRP met and engaged with 6 different potentially interested bidders for the plant and equipment.

    4.3. To date the BRP has received two written proposals/offers to acquire the plant & equipment and vehicles and is aware of two further proposals/offers that will be submitted to him in the coming days.

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5. All of these offers will first be analysed, then summarised for tabling and subsequent discussion with all of those lenders who funded these assets.

6. Initial indications of purchase price, supported by the offers already received and multiple valuations of the plant & equipment indicate that the total realisation price will be significantly higher if the business is sold in this fashion, than if the assets were to be sold via auction or on a breakup / individual basis. A sale then on this basis will realise a significantly better distribution payment for creditors than would be achieved if the Company is to be liquidated.

Employees

7. This month the Company finalised its retrenchment process for all of its employees.

8. The claims of these employees are unpaid at present. Hopefully they will be paid in due course in accordance with the preferences afforded to them in the Act.

Investigation into the affairs of the Company

9. Four of the Company's creditors have already engaged the services of (and have funded) a forensic investigator to work with the Company and the BRP to investigate the affairs of the Company and many of its dealings and transactions. If any other creditors wish to be part of this process it/they must contact the BRP directly for further information on how to participate in this investigation and contribute financially to the cost of the investigations.

10. This investigation process has already commenced, is underway and will continue for the month of July 2026.

Nedbank

11. Nedbank has indicated that it wishes to place the Company into liquidation. Extensive meetings have been held with it to ascertain its motives why and to persuade it that:

    11.1. the immediate liquidation of the Company is contrary to all creditors' interests including themselves;

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11.2. the sale of the assets and business in situ (as recorded above) is in its own interests and the interests of all other creditors. These discussions are ongoing.

12. Recently a meeting was held between the BRP, Nedbank and the other lenders. The other lenders have indicated that they are not in favour of a liquidation as proposed by Nedbank. On the contrary, they are supportive of the BRP continuing with his negotiations to sell the assets and/or business of Milnex in situ.

13. The BRP has advised all creditors including Nedbank that it is his opinion that Milnex has a reasonable prospect of being rescued, this on the basis of the alternative business rescue, i.e the sale of its assets in situ and the paying of a higher dividend to creditors than they would receive on liquidation. The BRP has also proposed to Nedbank that any business rescue plan published on this basis, can cater for the liquidation of Milnex after securing and paying the best possible return to creditors from the proceeds of the sale of the Company's assets.

14. Hopefully the BRP and the lenders will prevail with their plans. If Nedbank launches its application many of the other lenders have indicated that it is their intention to oppose this application.

Publication of Business Rescue Plan

15. The date for publication of a business rescue plan for the Company has been extended by the majority of creditors to 31 July 2026. This to allow the BRP to:

15.1. pursue to finality the sale of the business and or the assets of the Company in a manner that realises the maximum value therefrom for the creditors benefit, and

15.2. continue with the investigation into the affairs of the company and as far as is possible to identify any additional assets, claims or rights the company may have in respect of its dealing prior to the commencement of its business rescue proceedings, and

15.3. finalise the claim adjudication process and the determination of creditor voting rights prior to publication of the Company's business rescue plan, and

15.4. publish for subsequent approval by creditors a business rescue plan on the basis of the alternative rescue, namely the sale of the Company's business and/or assets and the payment of a better return for the Company's creditors than would result from the immediate liquidation of the Company.

16. A further update will be provided at the end of July 2026.

Yours sincerely

John Evans

Business Rescue Practitioner

Milnex (Pty) Limited