Basil Read Limited (in business rescue)

Registration number 1962/002313/06

("The Company")

June 2026

54th Update Report to the

Companies and Intellectual Property Commission ("CIPC")

and to all Affected Persons

In Terms of Section 132(3)(a) of the Companies Act 71 of 2008

Prepared by:

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(''Business Rescue Practitioner")

ADAMANTEM

1. Introduction

1.1. In terms of section 132(3) of the Companies Act 71 of 2008 ("Act"), if a company's business rescue proceedings have not ended within three (3) months after the start of those proceedings or such longer time as the court, on application by the practitioner, may allow, the practitioner must –

1.1.1. Prepare a report on the progress of the business rescue proceedings and update it at the end of each subsequent month until the end of those proceedings; and

1.1.2. Deliver the report and each update in the prescribed manner to each affected person and the following:

1.1.2.1. Court, if the proceedings have been the subject of a court order; or

1.1.2.2. Commission, in any other case.

1.2. This report, being the **Fifty - Fourth (54th) Update Report**, is being tabled in terms of Section 132(3)(a) of the Companies Act 71 of 2008 ("the Act") as the business rescue proceedings of the Company have not been concluded within three months of the date of commencement as required.

1.3. The CIPC Practice Note 2 of 2024 provides guidance on compiling automated status reports. It dictates that the subsequent report should include outstanding actions as per the adopted business rescue plan, the implementation of the business rescue plan as well as the implementation rate of the business rescue plan of the company in percentages. This guidance has been considered in the contents herein.

1.4. Reference is made in this update report to the prior update reports. It is important that this report be read in conjunction with the adopted business rescue plan of the Company ("the Plan") and the previously published update reports.

1.5. Please refer to www.matusonassociates.co.za/basilread/ for further information on the business rescue proceedings of the Company.

2. Update on the Implementation of the Plan

2.1. The following actions of Plan have been fully implemented:

2.1.1. All actions related to Construction Contracts has been fully implemented.

2.1.2. All actions related to Guarantees have been fully implemented.

2.2. Contract Claims Receivable

2.2.1. We have repeatedly reported that the aggregate sum of contract claims receivable is substantial. More importantly we also reported that the extent to which the Company can recover these claims will impact materially on the result of the business rescue process.

2.2.2. However, the resolution of contract claims remains protracted, tedious and costly, particularly where matters are subject to court or arbitration proceedings.

2.2.3. Following years of concerted actions including negotiations, mediation and arbitration processes, as well as legal proceedings to recover these claims, these actions have not yielded any significant outcomes. The section below provides an update on the outcomes on some of the matters whose processes have advanced substantially as at the publication of this report:

2.2.3.1. Cos Consult – Cos Consult claimed payment of retainers and contractual amounts against the Company following the commencement of business rescue proceedings and the suspension of receipt of services by the Business Rescue Practitioner. Cos Consult's pre-commencement claims were accepted, but claims post business rescue commencement, where Cos Consult did not render any services, were disputed. An Expert was appointed in terms of dispute resolution provisions under paragraph 40 of the adopted Plan. The Expert ruled that Cos Consult failed to establish a legal entitlement to the relief claimed. Cos Consult approached the High Court to review the Expert's determination. The High Court set aside the Expert's determination and substituted it with its own ruling and ruled in favour of Cos Consult. Following advice by our legal counsel that there are sound legal grounds to appeal the court ruling, including addressing issues of precedent, we have since applied for leave to appeal the court judgement and the hearing is scheduled to be held on 7th August 2026.

2.2.3.2. Guardrisk – Guardrisk instituted legal action against Basil Read Holdings Limited (""Holdings) claiming under a guarantee and counter-indemnity, which Holdings issued on behalf of Basil Read Limited (In Business Rescue) ("the Company") for a road construction contract with SANRAL. On the commencement of business rescue proceedings, the Company ceded the contract to Raubex under a compromise agreement involving the Company, Raubex, SANRAL and Guardrisk. However, Holdings was not a party to this compromise agreement. Holdings argued that since it was not a party to the compromise agreement, it did not undertake any obligations to indemnify Holdings under that agreement. The High Court ruled in favour of Guardrisk and held that Guardrisk was entitled to the relief claimed. We applied for leave to appeal the judgment. The application for leave to appeal was heard, and the judgment has been reserved. Still awaiting judgment.

2.2.3.3. Thunderstruck – The Company claim is for a declarator that it is not liable to Thunderstruck for any interest on the loan under the Shareholders' Agreement. Thunderstruck's, counterclaim is for the payment of interest under Shareholders' Agreement by the Company, while the Non-Basil Read Shareholders' claim is that the same amount be paid over by Thunderstruck to them in proportion to their shareholding. The Arbitrator ruled in favour of Thunderstruck and the Company has been ordered to pay the total cost of the arbitration. We have been advised by our counsel that there are sound legal grounds to appeal the award, and we have done so. There has been no new development on the appeal.

2.2.4. This notwithstanding, there are a few claims remaining which we believe on the merits of their ongoing pursuit, albeit the quantum and timing remain uncertain.

2.2.5. Unfortunately, some employers continue to unlawfully withhold payments due in terms of these rulings. Consequently, the Company has taken legal actions to enforce the rulings. They include the following:

2.2.5.1. Skilpadshek Border Post (Department of Public Works) – A settlement amount of R 828 450,23 was invoiced in 2026.

2.2.5.2. The Department of Agriculture, Land Reform & Rural Development ("DRDLR") – R5 million. This matter has now been handed over to attorneys for collection.

2.2.6. The following claims are currently being pursued in connection with the Admin Craft Basin project in two separate actions:

2.2.6.1. Return of delay damages for R28.3 million. An arbitration in this regard is currently underway.

2.2.6.2. A professional indemnity insurance claim of R84.9 million and for which litigation proceedings have been launched.

2.2.7. Whilst the Company remains committed to realising claims to meet its commitments, the Business Rescue Practitioner nevertheless wishes to highlight that to the extent that the pursuit of these claims continues into the future, the benefit to be derived therefrom may diminish.

2.2.8. Efforts to obtain litigation funding to progress certain claims, efforts have not been successful mainly due to the passage of time.

2.3. Realisation of Non-Core Assets

2.3.1. Substantial progress has been made with regards to the process for the realisation of assets. Most of the assets, which were the security package to certain of the lenders have been successfully sold via auctions and the proceeds thereof were applied in terms of their loan agreements. The Business Rescue Practitioner has continued to ensure the preservation of the Rolling Hills development which is the security of the IDC by way of bond mortgage. The IDC has issued a mandate to an auction house for the marketing and disposal of this property as part of its recovery process. With regards to the Lehateng investment, the transaction to sell off has gained traction and steps are being taken by management in preparation to complete the transaction. All other assets have been sold via auction, private treaty and scrapped accordingly.

2.3.2. To the extent that the proceeds from the sale of assets do not fully extinguish the debt for which the said assets were provided as collateral, the remaining unsecured debt will become part of the general concurrent creditors as defined in the Plan.

2.3.3. Notwithstanding market challenges we, however, remain optimistic and continue to market these assets. Should any affected person know of or be interested in any of the properties for sale, please contact the business rescue team at basilread@matusonassociates.co.za.

2.4. Winding-down of the Mining and Developments Businesses

2.4.1. The business rescue proceedings of Basil Read Mining SA (Pty) Limited (in business rescue) ("BRMSA") are ongoing and implementation is at an advanced stage.

2.4.2. Please refer to www.basilread.co.za for further details on the business rescue of these entities.

2.5. Repayment of Post-Commencement Costs.

2.5.1. The Post-Commencement Costs which include substantive amounts owed to SARS remain outstanding. A reconciliation process is currently to determine the accurate amount owing and how these could potentially be settled still ongoing.

3. Proof of Claims

3.1. The claims submission period has closed.

3.2. Please refer any questions or queries relating to your claim to basilread@matusonassociates.co.za

4. Conclusion

4.1. Owing to the above-mentioned delays and setbacks, the dividend to concurrent creditors, as anticipated in the Plan, is likely to be significantly reduced and will largely depend on the value of asset realisations and contract claims.

4.2. As previously reported, the rate of implementing the Plan remains unchanged. The Business Rescue Practitioner is engaged in fulfilling the objectives of the business rescue plan.

4.3. Notwithstanding the above-mentioned uncertainties, it is anticipated that:

4.3.1. subject to the anticipated realisation of Claims, all other post-commencement obligations will be settled in full; and

4.3.2. It remains the opinion of the Practitioner that a full implementation of the Plan will achieve a better result than a liquidation.

4.4. Any inquiries or concerns affected persons may have regarding the business rescue proceedings of the Company must be directed to basilread@matusonassociates.co.za.