

11 June 2024

CIRCULAR 31

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **SURFACE PREPARATIONS EQUIPMENT AND COATINGS (PTY) LTD** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

GENREAL UPDATE AND UPDATE ON AUCTION OUTCOME AND SUBSEQUENT SALES

Per the previous Circular 21 – the below extract is given with regards to the outcome of the auctions and the subsequent proposal for the property sales.

What follows after the extract is an update as to the outcomes to date.

“OUTCOME OF THE BUSINESS RESCUE AUCTIONS PER THE ADOPTED PLAN:

*The **first auction** that was held in terms of the adopted business rescue plan, was for the movable assets belonging to SPEC. This auction took place on the 29th of August 2023. The auction was relatively successful, and a ‘fair’ value was achieved for the sale of the assets on the day.*

Per the adopted business rescue plan, the funds were then collected by the auctioneers from the buyers and have recently been paid over to an attorney’s trust account where the practitioners have commenced with the distribution calculations. It is expected that these calculations will be finalised shortly and the disbursements of these funds (in accordance with the rescue plan) will commence immediately thereafter.

*The **second auction** that took place over a 24-hour period commencing on the 12th of September 2023, was for the immovable properties belonging to the SPEC Holding Trust which were to be sold in terms of the rescue plan.*

The auction was an online auction in the hopes that this would potentially attract buyers from outside of the Port Elizabeth area. A local auctioneering company was used for both auctions, including the immovable properties. Due to a series of unfortunate events, some of which are still being debated, there was unfortunately not even a single registration for the auction of the immovable properties and thus not one of the properties were sold.

Further, there was an additional auction that was held by WH Auctioneers on the same properties. The outcome of the auctions was not as we had expected. Since the auction took place, there has been some back and forth between the interested parties with regards to the sale of the immovable property. At this stage, the only property on which an offer was received is the property in Perseverance. The transfer of that property is also imminent and as soon as the transfer takes place the disbursements to creditors will take place.

It is important to note however that it is highly unlikely that any creditor, apart from the secured creditor will receive any dividend from the sale of this property.

A further update will be published once the transfer is completed and once more information becomes available regarding the potential sale of the other properties and any further developments.

Should there be any further questions, comments or concerns; please do not hesitate to contact the practitioner – the details of whom reflect below.

Kind Regards

Quinton Pattinson
patp@businessrescue360.co.za
082 749 6462

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