

29 January 2024

CIRCULAR 26

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).

UPDATE ON THE BUSINESS RESCUE PROCESS

The business rescue practitioners wish to advise all the affected parties that the business rescue process for SPEC (Pty) Ltd (as above) is still ongoing. The practitioners wish to give a formal update as to the progress made with regard to the implementation of the adopted Business Rescue Plan.

Upon commencement of the rescue proceedings the practitioners visited the premises multiple times and started their investigations into the affairs of the company. During the first meeting of creditors, the practitioners noted their belief that the company was in fact in financial distress and furthermore that they believed that a reasonable prospect of a rescue did exist.

Furthermore, during the first meeting of creditors the practitioners confirmed that the creditors had the right to form a committee, which they opted not to do. Various dates were also confirmed, and the practitioners requested a postponement for the date of publication of the rescue plan – which was unanimously approved. The practitioners also explained the process of submitting a proof of claim in the business rescue process.

Various additional meetings with creditors have been held since the first meeting and the express purpose of these meetings was to keep the affected persons informed regarding the progress made during the business rescue and to provide feedback and allow chance for commentary from the affected persons.

Should you wish to check the full details of the meetings held, all minutes and outcomes of these meetings is on the website at <https://pattinson.biz/document-library>

A rescue plan has been published and adopted and is in the process of being implemented with the business rescue auctions having been scheduled to take place in late August and in September for the two auctions.

The auctions took place as per the adopted business rescue plan and certain assets received offers on them and some have been accepted on the subject to approval basis by the bank. The main properties of the business in Perseverance have been sold and we are awaiting transfer of the properties to take place. Once these properties are transferred, we will be in the position to make payment to the secured creditor only. Further feedback on the transfer of these properties will be provided.

Kind Regards

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