

07 October 2022

CIRCULAR 17

THIS IS A CIRCULAR TO ALL THE AFFECTED PERSONS OF **SERVELEC PTY LTD** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

BUSINESS PROSPECTUS

RE: Call for potential investors for Servelec (Pty) Ltd

Servelec (Pty) Ltd has been in existence for 68 years and provides electrical services to the private and public sectors. The company has a great reputation and a long legacy which has allowed for the continued influx of new opportunities and orders.

In February of 2022 the Directors of Servelec voluntarily entered into business rescue. The business rescue practitioners (“BRP’s”), being Pat Pattinson and David Masterton, were appointed.

During the business rescue process a number of key initiatives were implemented:

1. Restructure of management team
2. Restructure of project management process
3. Restructure of the procurement process.
4. Implemented key operational initiatives.

The above has resulted in the business’ finances being stabilised.

The business rescue practitioners have identified that the best way for Servelec to continue trading into the foreseeable future, would be to consider selling equity in the business. This will be done in terms of Section 134 of Companies Act (Act 71 of 2008).

The following process will be followed:

1. Interested parties to formally express their interest to the BRP's.
2. Non-Disclosure Agreement (NDA) to be signed by the parties
3. Financial pack to be sent (for due diligence purposes)
4. 14-day due diligence period allowed
5. All binding offers to be sent to BRP's by no later than 28 October 2022.

All the binding offers will be reviewed by the BRP's and presented to affected parties at the next meeting of creditors. The BRP's will identify the preferred bidder. The preferred bidder will be notified after the meeting of the affected parties on 7 November 2022.

On acceptance of the bid and subject to all conditions being accepted by the parties, a sale agreement will be entered into by the respective parties.

Should you require further information, please contact the BRP's.

All forms and circulars relating to the Business Rescue process for Servelec (Pty) Ltd can be accessed at <https://pattinson.biz/document-library>

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