

21 September 2023

CIRCULAR 21

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).

OUTCOME OF THE 5TH MEETING OF CREDITORS – AUCTION OUTCOME DISCUSSION

The business rescue practitioners wish to advise all the affected parties the outcome of the 5th meeting of creditors of **Surface Preparations Equipment and Coatings (Pty) Ltd** (Herein after referred to as “SPEC” or “The Business”) - held on 20th of September 2023.

Mr Pattinson gave a brief introduction, discussed the agenda and welcomed the affected persons to the meeting.

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.

PROPOSAL FOR THE SALE OF THE IMMOVABLE ASSETS:

In terms of the adopted business rescue plan, the assets are to be sold at a public auction. Therefore, we are unable to give a mandate in terms of the sale of these properties for an out of hand sale thereof.

The proposal therefore is for a continuation of the current and adopted business rescue plan, and to approach a national auctioneer (WH Auctioneers) in order to ensure that the marketing of these properties is adequately done spanning an area far outside of the PE Metro.

VOTE ON THE AMENDED PROPOSAL:

Although the essence of the proposal is exactly as contained in the Business Rescue plan, in that an auction will be the method for the sale of the properties, a vote was nonetheless secured unanimous vote during a creditors meeting to adopt this process and to allow for the additional time required to implement the existing plan.

Therefore, the mandate with the local auctioneer has officially been terminated and WH Auctioneers will be provided with the relevant information for the auction and the auction will take place within 40 days (calendar days), from their appointment, as per the adopted business rescue plan.

Further details including a date and an invite to participate in the auction will be circulated once same has been confirmed by WH and the link to the website for the auction has been provided.

It was further agreed by the creditors that no further auctions will be permitted and that once this auction has concluded, funds transferred to the attorneys trust account and the practitioners provided the disbursement calculations, if any, they will file for substantial implementation and allow secured creditors to pursue their debt outside the business rescue process, if so permitted by the adopted business rescue plan.

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

Kind Regards

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

Jaco Durandt
jacod@businessrescue360.co.za
076 773 4595