Building 5 | Waterfront Business Park | 9 Pommern Street | Humerail | Port Elizabeth | 6070 | South Africa
P O Box 28302 | Sunridge Park | 6008 | Port Elizabeth | South Africa
T (+27) 41 008 5073 **E** patp@businessrescue360.co.za **W** www.businessrescue360.co.za

September 2024

CIRCULAR 38

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **SURFACE PREPARATIONS EQUIPMENT AND COATINGS (PTY) LTD** WITH REGISTRATION NUMBER **1971 / 002640 / 07** IN TERMS OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

BUSINESS RESCUE STATUS REPORT FOR THE MONTH OF SEPTEMBER 2024 IN TERMS OFSECTION 132 OF THE COMPANIES ACT, 71 OF 2008

Table of Contents

Introduction:

The appointed **business rescue practitioners**[1] of the **business** hereby, as required by the **Companies Act**, provide the creditors, and affected persons with the monthly report on the business rescue proceedings of the business.

The practitioners will provide an update to the status reports on a monthly basis together with the prescribed form to all affected persons in the prescribed manner.

Please read and consider this status report together with all previous status reports and other circulars pertaining to the business prior to the monthly meeting where these reports will be discussed.

[1] Quinton Pat Pattinson, Senior Business Rescue Practitioner.

Definitions:

"**Act**" means the Companies Act 71 of 2008 as amended;

"**Affected Persons**" means affected persons as defined in Section 128 (1) of the Act and in relation to the Company means a shareholder, a creditor and the employees of the Company;

"**Assets**" means all assets of the Business as reflected in the books of account of the Business as at the commencement date;

"**BRP/S**" means Mr. Quinton Pattinson as a Senior Business Rescue Practitioner as defined in Regulation 126 to the Act;

"**Business Rescue**" means the proceedings in terms of Chapter 6 of the Act and as defined in Section 128 (1)(b);

"**Business Rescue Plan**" means a document which is a business rescue plan prepared in terms of Section 150 of the Act;

"**Claims**" means secured, preferent or concurrent claims as envisaged in the Insolvency Act, against the Business, the cause of action in respect of which arose, prior to or on the commencement date, of whatsoever nature and from whatsoever cause, including claims, arising from contract or delict, actual and contingent, prospective, conditional and unconditional, liquidated and unliquidated, assessed and unassessed and whether or not due for payment of performance, specific or otherwise, and including all claims arising out of any agreements entered into by the Business on or prior to the commencement date, all such claims to be determined, calculated and admitted as secured, preferent or concurrent in accordance with the same ranking, as envisaged in the Insolvency Act, that attached to them upon the issue of a winding up order in respect of the Business, whether or not such claims are proved;

"**BR 360**" means Business Rescue 360 Cape (Pty) Ltd which contracts Quinton Pattinson as the Business Rescue Practitioners to the Company;

"**Creditor/s**" means all legal entities, including natural persons, having secured, preferment and/or concurrent claims against the Business as at the commencement date as envisaged in the Insolvency Act;

"**Concurrent Creditors**" means creditors having concurrent claims as envisaged in the Insolvency Act;

"**Corporation/Business**" means Surface Preparations Equipment and Coatings (Pty) Ltd (in business rescue), a Company duly incorporated in terms of the Laws of South Africa under registration number 1971 / 002640 / 07;

"**Commencement Date**" means 3 March 2023 being the date upon which the resolution to voluntarily begin with business rescue proceedings was filed with the Commission;

"**Commission**" means the Companies and Intellectual Property Commission of South Africa which is a division of the Department of Trade and Industry and is responsible for the register of companies in South Africa;

"**Director/s**" means: *** As at date of filing ***

Arnold Petrus Avenant	(ID no – 680830 5126 088)	(Managing Director)
Frederik Jacobus De Bod	(ID no – 630908 5075 082)	(Director)

"**Disputed Claim**" means a claim that was submitted, but not approved by the practitioner. These claims will be confirmed or amended prior to distribution.

"**Insolvency Act**" means the Insolvency Act 24 of 1936 as amended;

"**Legal Moratorium**" means the moratorium granted by section 133 of the Act in terms of which no legal action against the Business can be commenced;

"**Proceedings**" means business rescue proceedings as provided for in Chapter 6 of the Act;

"**Secured Creditors**" means creditors having secured claims as envisaged in the Insolvency Act;

"**Statutory Obligations**" means, the legally mandated duties and responsibilities that directors must fulfill in their role as custodians of the company. These obligations are designed to promote good corporate governance, transparency, accountability, and the protection of the interests of the company, its shareholders, employees, and creditors. These obligations include, but are not limited to, any and all submissions to SARS, provident funds, bargaining councils and other statutory bodies;

"**Substantial Implementation**" means in terms of section 132(2)(c)(ii) of the Act, the notice that is to be filed by the BRP confirming that a Business Rescue Plan has been implemented;

Salient Facts:

BRP's	:	Mr Quinton (Pat) Pattinson as Senior Business Rescue Practitioner
The Business	:	Surface Preparations Equipment and Coatings (Pty) Ltd
Registration No	:	1971 / 002640 / 07
Published to	:	https://pattinson.biz/document-library
Displayed at	:	The registered offices of the Business being 19 Kurland Road, Perseverence, Port Elizabeth, 6000.
Distributed to	:	The affected persons and the CIPC via Email

Overview of the Business Rescue Process:

3 March 2023	:	Business Rescue Resolution passed
5 March 2023	:	Resolution adopted by CIPC
8 March 2023	:	Business Rescue Practitioners Appointed
9 March 2023	:	Business Rescue notice submitted to affected persons
15 March 2023	:	First meeting of Creditors and Staff
5 April 2023	:	Second meeting of Creditors
11 May 2023	:	Third Creditors Meeting
26 May 2023	:	Fourth Creditors Meeting
18 July 2023	:	Business Rescue Plan published
25 July 2023	:	Business Rescue Plan Voted on and Adopted

Update on the progress of the Business Rescue Process:

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 ceditors 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.

Further update will be provided once the assets have been sold and further detail is available.

The auctions mentioned above have caused some significant problems thus far, as the ability to sell the properties in this market has proven more difficult that originally intended. Further updates on the sale of th properties per the adopted plan will be communicated once it becomes available.

July 2024:

The auctions have been completed and offers were received on some of the properties. These offers have been presented to the Bank as they are the secured creditor and they will be the creditor that (if offers are accepted) will be taking a loss on their claims – they have requested time to evaluate the offers.

August 2024:

The practitioner is still discussing the matter with the bank as they require time to evaluate the offers that were received and also to cover their own risks in terms of debt recovery.

September 2024:

Confirmation was received from the secured creditors that the practitioners may commence with the filing of Substantial Implementation. Same has been actioned and the business has been returned to “In Business” status but a formal confirmation of the status change has not been received to date. This is due to an update at the CIPC of the online system which has unfortunately caused a bit of consfusion as to the status of SPEC. The practitioners are working on this however and will send out a Circular to this effect wherein the situation is explained.

Contact Details:

Should you have any queries, please contact the Business Rescue Practitioners, all details are below.

The website of the practitioner (Mr Pattinson) as referred to in the document above can be viewed at the following link https://pattinson.biz/ - Navigate on the home page to “Business Rescue” at the top right of the screen and you will have access to all the ongoing rescue matters of the practitioners (available for free download).

Kind Regards

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

Building 5 | Waterfront Business Park | 9 Pommern Street | Humerail | Port Elizabeth | 6070 | South Africa
P O Box 28302 | Sunridge Park | 6008 | Port Elizabeth | South Africa
T (+27) 41 008 5073 **E** patp@businessrescue360.co.za **W** www.businessrescue360.co.za

BR360 INTEGRATED BUSINESS RESCUE

Companies and Intellectual Property Commission Republic of South Africa

Business Rescue Status Report

Date: 26 September 2024

Customer Code: 45445P

Concerning:
(Name and Registration Number of the Company)

Name:	Surface Preparations Equipment and Coatings (Pty) Ltd
Registration Number:	1971 / 002640 / 07

The above-name company commenced business rescue proceedings on
Date: 2 March 2023

Because the business rescue proceedings have not concluded within three months, the appointed business rescue practitioners provide the attached report in terms of section 132 (3).

Name and Title of person signing on behalf of the Practitioner:

Quinton (Pat) Pattinson
Senior Business Rescue Practitioner

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

Form CoR 125.1

About this Form

- This form is issued in terms of section 132 and 141 of the companies Act, 2008, and Regulation 125 of the Companies Regulations, 2011.
- This Notice and the attached report must be published to every affected person, and to-
  - a) The Commission, if the business rescue proceedings were started by the company; or
  - b) The court, if the proceedings were ordered by the court.
- A report and Notice must be issued at the end of the first three months of the business rescue proceedings, and at regular monthly intervals

Contacting the Commission

The Companies and Intellectual Property Commission of South Africa

Postal Address
PO Box 429
Pretoria
0001
Republic of South Africa
Tel: 086 100 2472

www.cipc.co.za