

ORE AND STEEL FEED INDUSTRIES STEELPOORT PROPRIETARY LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : T.3336/2013

REPORT SUBMITTED BY THE JOINT LIQUIDATORS IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, JOHANNESBURG, ON 14 NOVEMBER 2014 AT 10h00.

Nature of Liquidation	Application in The High Court of South Africa Gauteng Division, Pretoria by Schalk Jacobus Boltman N.O. (Applicant)
Date of Liquidation	26 November 2013
Provisional Appointees	Liebenberg Dawid Ryk van der Merwe, Mmoledi Fairhope Malokane care of Constant Wilsnach
Date of 1 st Meeting of Creditors	05 March 2014
Final Appointees	Liebenberg Dawid Ryk van der Merwe, Mmoledi Fairhope Malokane care of Constant Wilsnach

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Company was duly registered with the Registrar of Companies under their reference number 2010/003708/07.

Registered Address

The registered address of the Company was Resources House, 7 Spring Street, Rivonia, Gauteng, 2196.

Principal Place of Business

The principal place of business was 1202 Platinum Drive, Tweefontein Industrial Park, Extension 10, Steelpoort.

Auditors

The auditors of the Company were JJ du Plessis & Co.

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Directors

It appears from our investigations the following persons were directors:-

- Herman Martinus Stoker Booysen – Identity Number 710525 5051 088
- Walter Stander – Identity Number 760915 5065 080

Share Capital

According to the CM100 submitted by the former Director, Mr Stader, the share capital is 1000 ordinary shares of R1-00 per share and the issued share premium of R5,271,000.00

Business of the Company

The Company constructed and owned a chrome ore beneficiation plant in the Tweefontein Industrial Park in Steelpoort. The plant processed waste ore into chrome concentrates.

SECTION 402(a)

Financial Statement Of Assets And Liabilities

According to information available to us the following would appear to represent the financial position of the Company as at the date of liquidation:-

ASSETS		
Encumbered Assets		NONE
Unencumbered Assets		5,082,500-00
LIABILITIES		
Secured Creditors	NONE	
Preferent Creditors	UNKNOWN	
Concurrent Creditors	15,502,579-63	
Deficit		10,420,079-63
TOTAL	15 502 579,63	15 502 579,63

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NOTES

1. The above figures are subject to adjustment and verification.
2. The amount for the assets is per an independent valuation that was obtained by the Liquidators.
3. The amounts for the creditors stated, is per the CM100 that was submitted by the former Director, Mr Stander.
4. To the knowledge of the liquidators the only asset is the chrome beneficiation plant, however there is a dispute regarding the ownership of such plant.
5. The Liquidators will take instructions from creditors after closure of this meeting regarding the way forward to resolve the dispute on ownership.

SECTION 402(b)

Causes of the Company's Failure

The Company was subject to a formal business rescue proceeding in terms of Chapter 6 of the Companies Act 2008. The appointed Business Rescue Practitioner, brought an urgent application in terms of Section 141(2)(a) of the aforementioned Act, as the practitioner was of the opinion that there was no reasonable prospect for the Company to be rescued.

The reasons given by the Business Rescue Practitioner in the Founding Affidavit for the financial distress of the company was *inter alia* as follows:

1. The Company is in financial distress;
2. The Company had no access to post-commencement finance despite the Practitioner's efforts to obtain such funding;
3. The Company was unable to convert its assets into equity due to the dispute on ownership;
4. Has no prospect of being rescued; and
5. The practitioner was of the opinion that the Company was factually and commercially insolvent.

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SECTION 402(c)

Report under Section 400(2)

At this stage we do not have anything to report under this heading, however, should any contraventions come to our attention a report will be submitted to the Master of the High Court in regard to such contraventions.

SECTION 402(d)

Personal Liabilities of Directors or Officers

At this stage we are unable to comment on whether the former director or officer of the Company can be held personally liable for the debts of the company. A report will be submitted, should it become necessary.

SECTION 402(e)

Legal Proceedings

As far as we are aware there are no legal proceedings pending by or against the Company, except for normal debt collection.

SECTION 402(f)

Further Enquiry

The Liquidators propose that an enquiry into the affairs of the Company is held. The Company traded on the same premises as another Company called Contrarian. The Companies business dealings were interlinked. Due to the business dealings of the Company and Contrarian, it has caused disputes on the ownership of the chrome beneficiation plant. Contrarian has also been placed in liquidation.

SECTION 402(g)

Books and Records

We have received the books and records from the business rescue practitioner as well as some records from the former Director. It has become apparent to the liquidators that differentiating between the two entities in the Company records is nearly impossible.

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SECTION 402(h)

Progress and Prospects of Liquidation

Upon our appointment as Provisional Liquidators we immediately investigated the affairs of the company. The Sheriff made an attachment in terms of Section 19, thereby assisting the liquidators in taking control of the assets. No assets have been realised at this stage due to the ongoing dispute.

SECTION 402(i)

Matters requiring further Directions of Creditors and Contributories

Such directions as we desire, and sanction of the actions taken by the Provisional Liquidators and Liquidators to date, are contained in the Resolutions to be submitted for consideration and adoption, are attached hereto.

GENERAL

The Liquidators will approach creditors for financial contribution for the holding of the enquiry as well any potential litigation to flow from the enquiry, if necessary.

DATED AT ROODEPOORT ON THIS 27th DAY OF OCTOBER 2014.



LIEBENBERG DAWID RYK VAN DER MERWE

MMOLEDI FAIRHOPE MALOKANE

CONSTANT WILSNACH

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS
HELD BEFORE THE MASTER OF THE HIGH COURT, JHB, ON 14 NOVEMBER 2014**

RESOLVED THAT:

- 1 The report of Liquidator or Joint Liquidators, as the case may be, hereinafter referred to as (the Liquidator"), as submitted be received and adopted and all his actions referred to therein be and are hereby confirmed, ratified and approved.
- 2 All actions of whatsoever nature hereto-before taken by the Provisional Liquidator and/or Liquidator be and are hereby confirmed, ratified and approved.
- 3 The Liquidator be granted the authority and is vested with all the powers mentioned in Section 386(4)(a) – (i) of the Companies Act No 61 of 1973, as amended, such powers to be exercised at his sole and absolute discretion.
- 4 The Liquidator be and is hereby authorised in his sole and absolute discretion to:
 - 4.1 Take legal advice on any question of law affecting the administration and distribution of the company;
 - 4.2 Institute or defend on behalf of the company any action or other legal proceedings of a civil nature for the recovery of monies due to the company or otherwise and subject to the provisions of any law relating to criminal procedure, institute any criminal proceedings;
 - 4.3 Hold any enquiry into the affairs of the company and/or any matter relating thereto;
 - 4.4 Investigate and institute legal proceedings for the recovery of any voidable or undue preferences, voidable dispositions of property or any other impeachable transactions of whatsoever nature and to abandon same at any time;
 - 4.5 Write up the books of the company as may be required, and if necessary, to produce a balance sheet, audited or not, as at the date of liquidation, either for the purpose of investigating the affairs of the company, establishing the claims of creditors, or any other purpose.

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- 5 The Liquidator be and is hereby authorised in his sole and absolute discretion to employ and engage the services of attorneys and/or counsel (senior and/or junior) and/or accountants and/or bookkeepers and/or any employee of the insolvent and/or recording agents and/or any other person who in the sole discretion of the Liquidator may be of assistance in the winding-up of the company in relation to any matter referred to in 4 above and further to pay all the costs thereof of whatsoever nature out of the estate as costs incurred in the liquidation.

- 6 The Liquidator be and is hereby authorised to collection any debts due to the company and for the purpose thereof to sell or compound or compromise any of these debts for such sum and upon such terms and conditions as he in his sole discretion may deem fit, and to accept any part of the debt in settlement thereof, and to grant an extension of time for the payment of any such debt, and to abandon any debt which he in his sole discretion may deem to be irrecoverable.

- 7 The Liquidator be and is hereby authorised to dispose of any movable and immovable property of the company, whether in his possession or under his control now or to come into his possession or under his control in the future by public auction, private treaty or public tender upon such terms and conditions as he in his sole and absolute discretion shall determine and to abandon any such assets for which he can find no purchaser or abandon them to a secured creditor at the value placed thereon by such creditor or at such value as is agreed upon by the Liquidator and the creditor if such creditor's claim is secured by such assets and to sign all such documents as may be necessary to give effect to such disposition.

- 8 The Liquidator be and is hereby authorised and empowered in his sole discretion to compromise and admit any claim against the company of whatsoever nature and howsoever arising and whether disputed or not and whether actual, contingent, prospective, conditional, unconditional, assessed, unassessed, liquidated or unliquidated as a liquidated claim in terms of Section 78(3) of the Insolvency Act No 24 of 1936 as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended, at such amount as may be agreed upon by the Liquidator, provided that proof thereof has been tendered at a meeting of creditors.

- 9 The Liquidator be and is hereby authorised to make application for the destruction of books and records of the estate six months after the confirmation of the Final Liquidation and Distribution Account.

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- 10 The Liquidator be and is hereby authorised to perform any act or exercise any power for which he is not expressly required by the Companies Act No 61 of 1973, as amended, to obtain the leave of the Court.
- 11 The Liquidator be and is hereby authorised to submit to the determination of arbitrators any dispute concerning the company or any claim or demand by or upon the company.
- 12 The Liquidator be and is hereby authorised to carry on or discontinue any part of the business of the company insofar as may be necessary for the beneficial winding-up thereof.
- 13 The Liquidator be and is hereby authorised to exercise *mutatis mutandis* the powers conferred upon a Liquidator by Section 35 (uncompleted acquisition of immovable property before liquidation) and 37 (effect of liquidation upon a lease) of the Insolvency Act No 24 of 1936, as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended.
- 14 The further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

q.q. CREDITORS

PRESIDING OFFICER