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ORIENT PROPERTIES CC (IN LIQUIDATION)
MASTERS REFERENCE NUMBER G1713/09.

REPORT OF THE CO-LIQUIDATORS, H KAPLAN, LDR VAN DER MERWE, JM DAMONS AND MA CHRISTIAN, IN TERMS OF SECTION 79 OF THE CLOSE CORPORATIONS ACT NO. 69 OF 1984, TO BE SUBMITTED AT THE SECOND (GENERAL) MEETING OF CREDITORS AND MEMBERS TO BE HELD BEFORE THE MASTER, JOHANNESBURG ON 28TH JULY 2010 at 10h00

The close corporation was placed into voluntary liquidation by way of a Special Resolution issued by the Registrar of Companies on 1st July 2009. Messrs Harry Kaplan, Liebenberg David Ryk van der Merwe, Jantito Martin Damons and Mark Abraham Christian were appointed as Co-Liquidators by the Master of the High Court by virtue of his certificate of appointment No G1713/09 dated 15 October 2009.

GENERAL AND STATUTORY INFORMATION

Registrar of Close Corporations

The corporation was duly registered under Registration number CK1989/018836/23.

Nature of Business

The corporation is a property owning enterprise and has its registered address at c/o B.K. Bhana & Co 2nd Floor, Central House, 70 Central Ave, Mayfair, Johannesburg

Member of Corporation

D H Harduth

D Harduth

R Harduth

TA Harduth

Members Interest

25%

25%

25%

25%

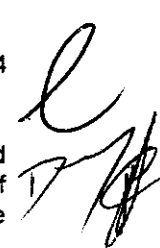
SECTION 79(a)

ASSETS AND LIABILITIES

According to the information made available to the liquidators, the financial position of the estate as at the date of liquidation seems to be as follows:

	ASSETS	LIABILITIES
<u>Unencumbered Asset:</u> Erf 114 Klipriviersoog Estate	R300 000.00	
<u>Encumbered Assets:</u> Erven 427 and 428 Nancefield, Erven 118-123, 126-131 and portions 5-8 of erf 147	R13.5 million	
<u>Secured Creditor:</u> Bondholder City Council		R8 million R1.5 million
<u>Preferent Creditors :</u> 1. Employees 2. SARS – estimate		R nil R500k
<u>Concurrent Creditors :</u> Members Accountant Orient Wholesale Food Distributors (Pty) Ltd		R600k R40k R7 million
Deficiency	R3.84 million	

NOTES

1. The liabilities reflected above do not include legal costs of administration and are subject to adjustment and verification.
 2. The erven indicated above, save for erven 114 and 148 were sold on auction for a consideration of R13.5 million, transfer whereof is currently being attended to, the delays whereof have been due to the unavailability of title deeds and delays in obtaining rates clearance certificates.
 3. The purchaser of the properties indicated in note 2 has indicated its desire to purchase erf 114 Klipriviersoog Estate at a sworn appraisalment value.
 4. Erf 148 is the subject matter of an agreement between the corporation and the City Council and for reasons which are unknown this agreement was never given effect to and furthermore this erf should have been included in the other erven sold on the auction sale and included in the agreement of sale.
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SECTION 79(b) **CAUSES OF FAILURE**

The properties of the corporation have erected thereon two warehouse facilities; the main warehouse was occupied by the business of an associated enterprise, Orient Wholesale Food Distributors (Pty) Ltd which carried on business as wholesalers, which company was placed into liquidation on the 26th June 2009. The corporation could no longer continue and the creditors resolved that it be liquidated by way of a special resolution.

SECTION 79(c) **CONTRAVENTION AND OFFENCES**

Should it be considered necessary, a confidential report will in due course be submitted to the Master of the High Court.

SECTION 79(d) **PERSONAL LIABILITY OF MEMBERS**


We are not in a position to report at this stage under this heading and will report more fully in this regard at a later stage, if necessary.

SECTION 79(e) **LEGAL PROCEEDINGS**

We are not aware of any legal proceedings which may have been pending by or against the corporation as of date of the commencement of the winding up of the corporation apart from summonses issued for the recovery of debts due by the corporation.

SECTION 79(f) **ENQUIRY INTO THE PROMOTION, FORMATION OR FAILURE OF THE CORPORATION**

Should further enquiries into the affairs of the corporation or into the conduct of its business be necessary, the a general meeting may be convened for this purpose.



SECTION 79(g)
BOOKS AND RECORDS

The books of account as is required in terms of Section 284 of the Companies Act No 61 of 1973, as amended, have been made available to the Liquidators and they appear to have been properly maintained and written up by the close corporation. The last set of financial statements, although drafted have not been signed.

SECTION 79(h)
PROGRESS AND PROSPECTS OF WINDING UP

The immovable properties of the corporation are in the process of being transferred. Erf 114 requires to be sold and transferred and in due course a First and Final Liquidation and Distribution Account will be filed with the Master as soon as possible after transfers of the properties have taken place.

SECTION 79(i)
MATTERS REQUIRING THE FURTHER DIRECTION OF CREDITORS

Such directions as we require of creditors are contained in the resolutions numbers 1 to 3 which are submitted for consideration and adoption by creditors at the second Meeting of Creditors, in conjunction with this report. It is recommended that Creditors adopt the draft resolutions annexed hereto in order to facilitate the administration of the estate.

SIGNED AT JOHANNESBURG ON THIS THE 16th DAY OF JULY 2010



CO-LIQUIDATOR
H KAPLAN

CO-LIQUIDATOR
J M DAMONS

CO-LIQUIDATOR
LDR VAN DER MERWE

CO LIQUIDATOR
M A CHRISTIAN

DIRECTIONS SOUGHT AT THE MEETING OF CREDITORS AND MEMBERS ON 28 JULY 2010

1. That the Liquidators utilize the legal services of attorney J J F Cameron in regard to all future legal services that the Corporation requires.
 2. In terms of clause 2.1 of an order of court granted in the South Gauteng High Court, Johannesburg, on 16 September 2009 the Corporation's creditors and members hereby approve the sale of certain properties in terms of a written agreement of sale concluded between the Corporation (as Seller) and Vaxitrax Investment (Proprietary) Limited (as Purchaser) on 30 October 2009.
 3. That the Liquidators are authorized to sell Erven 114 and 148 Klipriviersoog Estate either by public auction or private treaty on terms and conditions determined by them.
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