

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

REPORT OF THE JOINT LIQUIDATORS, IN TERMS OF SECTION 79 OF THE CLOSE CORPORATION'S ACT NO 69 OF 1984 ("THE ACT") TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, BOKSBURG ON THURSDAY, 21 APRIL 2011 AT 11H30

ORDER OF THE COURT AND MEETINGS

Nature of Liquidation	APPLICATION
Date of liquidation	4 AUGUST 2010
Date of provisional Order	N/A
Date of Final Order	26 OCTOBER 2010
1 ST Meeting of Creditors	3 FEBRUARY 2011
Joint Liquidators	LDR VAN DER MERWE, GK MOHOSH & P VAN EEDEN

GENERAL AND STATUTORY INFORMATION

Registrar of Close Corporations

The Close Corporation was duly registered with the Registrar of Close Corporation under their registration number 2007/196397/23.

Registered Address

No. 11 Elenberg Street, Freeway Park, Boksburg.

Nature of Business

The Close Corporation carried on business as steel manufacturers.

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

Business Address

Member and Interest

The Member of the Corporation is as follows:

1. Petrus Jacobus Smith

We now report in terms of Section 79 of the Close Corporation's Act:

SECTION 79(a)

ASSETS AND LIABILITIES

Our investigations to date have not uncovered any assets. There is currently a dispute as to whether the assets on site are the property of the corporation in liquidation or the property of a third party. We are currently awaiting the necessary documentation proving the latter.

SECTION 79(b)

CAUSES OF THE CORPORATION'S FAILURE

We have been unable to meet with the member and cannot comment to the corporation's failure.

SECTION 79(c)

**REPORT UNDER SECTION 400(2) OF THE COMPANIES' ACT READ WITH
SECTION 66 OF THE CLOSE CORPORATION'S ACT**

The report as contemplated in terms of Section 400(2) of the Companies Act No. 61 of 1973 (as amended) read together with Section (as amended) will in due course be submitted to the Master of the High Court.

The Member appears to have contravened the following provisions of the Companies' Act.

Section 105 in that we have not been furnished with the Members Register of the Close Corporation and the Member may have failed to maintain same.

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

Section 242 in that we have not been furnished with the Minute Book of the Close Corporation and the Member may have failed to maintain same.

Section 414 in that the Member failed to attend the First Meeting of Creditors.

Section 284 in that we have not been furnished with the books and records of the Close Corporation and the Member may have failed to maintain same.

SECTION 79(d)

LIABILITY OF MEMBER

Our investigations as to whether the members are liable on the grounds of breach of trust or negligence to make repayment in terms of Section 70(2) or (3) and/or Section 71(1) or (2) and/or Section 73 of the Close Corporations Act No. 69 of 1984 (as amended) to either a creditor of the close corporation or the close corporation itself are continuing. In the event that these investigations cause us to believe that the members are liable to the close corporation for repayment of any amounts, we shall submit our findings in this regard directly to the Master of the High Court.

SECTION 79(e)

LEGAL PROCEEDINGS

As far as we are aware there are no legal proceedings pending by or against the Corporation.

SECTION 79(f)

FURTHER ENQUIRY

An enquiry into the affairs and failure of the Corporation will be held and we request that this meeting be postponed for the holding of such enquiry.

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

SECTION 79(g)

BOOKS AND RECORDS

I have to date received no books or records of any nature whatsoever and am thus unable to comment as to whether books and records have been properly kept in compliance with the requirements of Section 56 of the Close Corporations Act No. 69 of 1984 (as amended).

SECTION 79(h)

PROGRESS AND PROSPECTS OF WINDING-UP

On the adoption of our resolutions the properties will be sold by public auction.

SECTION 79(i)

MATTERS REQUIRING FURTHER DIRECTIONS OF CREDITORS AND CONTRIBUTORIES

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

GENERAL

The anticipated realisation of the vacant stands will be insufficient to cover the claims of the bondholders and there is a danger of a contribution in this matter.

DATED at ROODEPOORT this 20th day of JANUARY 2011.


LDR VAN DER MERWE
JOINT LIQUIDATOR

GK MOHOSH
JOINT LIQUIDATOR

P VAN EEDEN
JOINT LIQUIDATOR

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

SECTION 79(a)

BOOKS AND RECORDS

I have to date received no books or records of any nature whatsoever and am thus unable to comment as to whether books and records have been properly kept in compliance with the requirements of Section 56 of the Close Corporations Act No. 69 of 1984 (as amended).

SECTION 79(h)

PROGRESS AND PROSPECTS OF WINDING-UP

On the adoption of our resolutions the properties will be sold by public auction.

SECTION 79(i)

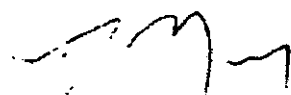
MATTERS REQUIRING FURTHER DIRECTIONS OF CREDITORS AND CONTRIBUTORIES

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


GENERAL

The anticipated realisation of the vacant stands will be insufficient to cover the claims of the bondholders and there is a danger of a contribution in this matter.

DATED at ROODEPOORT this 20th day of JANUARY 2011.


LDR VAN DER MERWE
JOINT LIQUIDATOR

GK MOHOSH
JOINT LIQUIDATOR


P VAN EEDEN
JOINT LIQUIDATOR

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD
BEFORE THE MAGISTRATE, THURSDAY, 21 APRIL 2011 AT 11H30**

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 heretobefore 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;

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

- 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.
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

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

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.
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 creditors hereby consent to the liquidator's remuneration ("the remuneration") being taxed by The Master of High Court in terms of section 384 of the Act **at the higher figure** of:
 - 14.1. the prescribed tariff as is contained in Annexure CM 104 to the Winding Up regulations to the Act
 - 14.2. the increased amount of work done by the liquidator in terms of the actual time spent by him or her and his or her staff in the discharge of their duties in the winding-up as is reflected on properly kept timesheets at the charge out tariff of the respective professional and

SMITH PROJECTS & STEEL FABRICATIONS CC (IN LIQUIDATION)
("the Close Corporation")

MASTER'S REFERENCE NUMBER : G1700/10

administrative staff and which will be deemed to be good cause for the increase of such remuneration.

15. The remuneration referred to in 14 above may further be increased based on aspects such as:

- 15.1. the complexity of the estate in question,
- 15.2. the degree of difficulty encountered by the liquidator in the administration of the estate ,and
- 15.3. particular difficulties experienced by the liquidator because of the nature of the assets or some other similar feature connected with the winding-up,

16. 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