

**KINGSFIELD CAPITAL (PTY) LTD (IN LIQUIDATION)**  
**MASTER'S REFERENCE NO. C1404/2010**

REPORT BY THE JOINT LIQUIDATORS, CHRISTOPHER PETER VAN ZYL, JOHANNES FREDERICK KLOPPER and MELWYN PATRICK NASH, TO BE SUBMITTED AT THE STATUTORY SECOND MEETING OF CREDITORS AND CONTRIBUTORIES CONVENED TO BE HELD BEFORE THE MAGISTRATE, STELLENBOSCH ON WEDNESDAY 29 JUNE 2011 AT 10H00.

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The company was placed into provisional liquidation by Order of the High Court of South Africa (Western Cape High Court, Cape Town) on 9 December 2010. This Order was subsequently made final on 18 January 2011. We were thereafter appointed as the joint provisional liquidators by the Master of the High Court Cape Town per his Certificate of Appointment dated 23 December 2010.

No claims were submitted to proof at the First Meeting of Creditors held before the Magistrate, Stellenbosch on 23 March 2011. We were thereafter appointed joint liquidators by the Master of the High Court in terms of his Certificate of Appointment dated 19 April 2011.

**REPORT**

**SECTION 402(a) : CAPITAL ASSETS AND LIABILITIES**

The company, having its registered office at Unit 2, Moore Stephen VDA Building, C/O Techno and Electron, Technopark, Stellenbosch, was incorporated on 11 February 2011 under registration no. 2000/002708/07.

The directors of the company as at the date of the provisional liquidation were:-

1. Petrus Francois Louw
2. Hendrik Willem Rossouw

The authorised share capital of the company is 1000 ordinary shares of R1 each. As at the date of the grant of the provisional Order of liquidation 600 shares had been issued as fully paid and were held by Limosa Investment Trust.

**ASSETS**

	<u>Book Value</u>	<u>Estimated Realisable Value</u>
1. Property, plant and equipment	338 000	51 300
2. Investments in subsidiaries and associates	42 300	NIL
3. Loans to group companies	29 002 000	100 000
4. Loans to group companies	11 922 000	189 704
Apparent Deficiency		47 859 396
	<hr/> R48 200 400	<hr/> R48 200 400 <hr/>

## LIABILITIES

### Concurrent Creditors

Loans from Group Companies	17 740 000
Loans from shareholders	126 400
Loans - Sundry	6 312 100
Trade creditors - including contingent liabilities	24 021 900
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	<u>R48 200 400</u>

### SECTION 402(b) : CAUSES OF THE COMPANY'S FAILURE

The reason for the failure of the company is that it would appear that the directors of the company have committed a series of frauds in relation to their business dealings with investors/creditors in subsidiary companies.

The purpose of such frauds appear to be to create a structure to facilitate the theft of monies, in particular the difference between the true purchase price of the aircraft owned by the subsidiary companies and the actual purchase prices which were never disclosed and whereas and as a fact the purchase prices were overstated so as to achieve the fraud as against investors/creditors.

In those circumstances the fraudulent misrepresentations induced the investors/creditors to make advances to their detriment and which have led to the winding up of the company and various of its subsidiary/related entities.

### SECTION 402(c) - CONTRAVENTIONS AND OFFENSES

A report will be submitted in due course to the Master of the High Court in compliance with Section 400(2) of the Companies Act No. 61 of 1973 (as amended).

### SECTION 402(d) : LIABILITY OF DIRECTORS AND/OR OFFICERS

At this stage there would appear to be reason to believe that the directors or officers or former directors or officers of the company can be held personally liable for damages or compensation or for any debts or liabilities of the company and this will be further investigated.

### SECTION 402(e) : LEGAL PROCEEDINGS

We are not aware of any legal proceedings by or against the company which were suspended by the liquidation proceedings, save and except for the recovery of monies owing to the company.

### SECTION 402(f) : FURTHER ENQUIRY

At this stage there would appear to be reason to conduct an enquiry into the affairs of the company to investigate the formation, promotion and failure of the company and the appropriate resolutions will be tabled at today's meeting to that end and also that the costs thereof be costs in the winding up of the company.

### SECTION 402(g) : BOOKS AND RECORDS

The company would appear to have kept proper books and records as contemplated by Section 284 of the Companies Act.

SECTION 402(h) : PROGRESS AND PROSPECTS OF LIQUIDATION

1. We have received an offer for the purchase of the nominal items of office furniture in the amount of R51 300 and the appropriate resolutions will be tabled at today's meeting authorising the acceptance thereof.
2. The company held nominal investments in various property investments which were sold pre-liquidation. An amount of R189 704 has since been realised to date in respect hereof.
3. The loans receivable to group companies and third parties as well as the investments are deemed to be irrecoverable mainly due to the fact that these entities have been finally wound up and there is no prospect of recoveries being made.

SECTION 402(i) : MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

Such directions as we require of the creditors are contained in the resolutions numbers 1 to 16 which are submitted for consideration and adoption by creditors at today's meeting in conjunction with this report.

Creditors are requested to adopt these resolutions to enable the administration of the company in liquidation to continue.

Dated at CAPE TOWN this            day of JUNE 2011.

C P VAN ZYL  
JOINT LIQUIDATOR



J F KLOPPER  
JOINT LIQUIDATOR

M P NASH  
JOINT LIQUIDATOR

C/O PROGRESSIVE ADMINISTRATION (CAPE) (PTY) LTD  
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KINGSFIELD CAPITAL (PTY) LTD (IN LIQUIDATION)  
MASTER'S REFERENCE NO. C1404/2010

RESOLUTIONS SUBMITTED FOR ADOPTION AT THE SECOND MEETING OF  
CREDITORS AND CONTRIBUTORIES HELD BEFORE THE MAGISTRATE,  
STELLENBOSCH ON WEDNESDAY 29 JUNE 2011 AT 10H00.

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RESOLVED :

1. THAT the actions of the Joint Liquidators to date be and are hereby approved, confirmed and ratified.
2. THAT the Report of the Joint Liquidators be and is hereby approved and adopted.
3. THAT the Joint Liquidators be and are hereby authorised and empowered to take legal opinion or to institute or defend any action or application in respect of any matter affecting the company in any competent Court of Law and for those purposes they be and are hereby authorised and empowered to engage the services of Attorney and/or Counsel; such legal costs as may be incurred to be costs in the winding-up of the company.
4. THAT the Joint Liquidators be and are hereby authorised and empowered to dispose of the assets of the company by public auction and/or public tender and/or private treaty as they in their discretion may deem fit.
5. THAT the Joint Liquidators be and are hereby authorised and empowered to sign all the necessary documents as may be required to effect transfer of the ownership of the assets, including fixed property, to the purchaser thereof.
6. THAT the Joint Liquidators be and are hereby authorised and empowered to compromise any claim against the company, provided that proof thereof has been tendered at a meeting of creditors.
7. THAT the Joint Liquidators be authorised to pursue the collection of the outstanding accounts, if any, and for this purpose to engage whatever legal assistance they may require as costs of the administration and paid accordingly. Provided further that the Joint Liquidators be authorised to dispose of the outstanding accounts, if any, by public auction, public tender or private treaty on such terms and conditions as they in their discretion deems fit, provided that in a sale by private treaty the minimum amount to be obtained be not less than R2,00. Further that the Joint Liquidators be authorised to abandon the outstanding accounts should they deem these to be bad and irrecoverable.
8. THAT the Joint Liquidators be and are hereby authorised to abandon any assets which are the subject of hire-purchase agreements or other right of security, to the creditor concerned in full settlement of that creditor's claim or at an agreed valuation as the case may be, provided that the Joint Liquidators are satisfied that no benefit could accrue to the concurrent creditors of the company were the assets in question to be realised in the ordinary course, subject to the creditor concerned paying the costs of the realisation attributable to his security in terms of Section 89(1) of the Insolvency Act.

9. THAT the actions of the Joint Liquidators in having continued trading operation be and are hereby ratified and confirmed and any losses that may have been sustained during such trading period be treated as costs of liquidation.
10. THAT the Joint Liquidators be and are hereby authorised to make application for the destruction of the books and records of the company six (6) months after confirmation of the final account.
11. THAT any excess in premiums and stamp duty on Security Bonds or asset insurance which is more than that provided for in Rule 31 laid down by the Master of the High Court be and is hereby authorised as an administration expense to be borne by the estate.
12. THAT the Joint Liquidators be and are hereby authorised to employ auditors to investigate and write up the books of the estate to the date of liquidation and to produce an audited balance sheet as at that date, and to complete any necessary Income Tax and other Government Returns and that all costs so incurred shall be costs in the liquidation of the estate.
13. THAT the Joint Liquidators be and are hereby authorised and empowered in their discretion to hold an enquiry into the formation and affairs of the estate and/or any matter relating hereto, should they deem it to be in the best interest of creditors and to employ attorneys an/or Counsel and/or Recording Agents to assist in the said enquiry, and to summons any person who he should deem necessary to be present at the enquiry, all costs so incurred to be costs of administration.
14. THAT the action of the Joint Liquidators in utilising the services of former officials of the company and/or representatives for the purpose of tracing assets, compiling an inventory of stock and taking possession of the assets, be and are hereby confirmed, that their remuneration plus travelling expenses be paid by the estate.
15. That the Joint Liquidators be and are hereby authorised to proceed with the disposal of the properties either by public auction or private treaty sales, as the case may be, and for the maximum amounts that can be realised.
16. That the Joint Liquidators be and are hereby authorised to conclude lease agreements in respect of prospective tenants for the properties of the company where applicable.
17. That the Joint Liquidators be and are hereby authorised to institute legal proceedings where necessary and appropriate for the recovery of any amounts that may be due by tenants of the company's immovable properties in respect of arrear rentals or any other matter relating thereto.
18. THAT the further conduct of the liquidation be left in the hands of the Joint Liquidators.

q.q. PROVED CREDITORS NO'S:  
MEMBER:

PRESIDING OFFICER:

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