

SOLAR SPECTRUM TRADING 280 (PTY) LIMITED (IN LIQUIDATION)
REGISTRATION NUMBER : 2007/003273/07
("the Company")

MASTER'S REFERENCE NUMBER : C658/2008

REPORT OF THE JOINT LIQUIDATORS, JOHANNES FREDERICK KLOPPER, CHRISTOPHER PETER VAN ZYL *and* REHANA MOOLLAJIE, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO. 61 OF 1973, AS AMENDED, TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS & CONTRIBUTORIES TO BE HELD BEFORE MAGISTRATE'S COURT, BELLVILLE, ON FRIDAY, 17 APRIL 2009, AT 11H00

ORDER OF THE COURT AND MEETINGS

Nature of Application	Ex Parte Application in the High Court of South Africa (Cape of Good Hope Provisional Division)
Date of Provisional Order	22 October 2008
Date of Final Order	26 November 2008
Provisional Liquidators	Johannes Frederick Klopper, Christopher Peter van Zyl and Rehana Moollajie
Provisional Appointment Date	29 October 2008
Final Liquidators	Johannes Frederick Klopper, Christopher Peter van Zyl and Rehana Moollajie
Final Appointment Date	12 February 2009
Date of 1 st meeting of creditors	16 January 2009
Claims proved at 1 st meeting	Eight claims were submitted and proved

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

According to the Registrar of Companies the company was incorporated under registration number 2007/003273/07 on 01 February 2007.

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Registered Address

The registered address of the company is reflected as being 30 Waterford Office Park, Waterford Drive, Fourways, Johannesburg.

Directors

It appears from our investigations the following five persons consented to serve as the Directors of the company:

- Etienne Bruwer (Identity Number: 8109025155087);
- Etienne Bruwer (Identity Number: 5207035098082)
- Christian Gouws (Identity Number: 5908285147087)
- Adriaan Janse Van Rensburg (Identity Number: 6205085048089)
- Leonardo Johannes Jansen (Identity Number: 6208255016084)

Share Capital

- 1 The authorised share capital of the company is R1000 divided into 1000 ordinary shares par value shares of R1 each.
- 2 The issued share capital of the company is 100 ordinary par value shares of R1 each.

Business of the Company

It appears from our investigations that the company was a shelf company which carried on business as a property investment company.

Auditors

The auditor of the company is reflected as being Cap Chartered Accountants, situated at Old Oak Office Park, Cnr Old Oak and Durban Roads, Bellville, Western Cape.

STATEMENT OF AFFAIRS

We have not been placed in possession of a Statement of Affairs as required in terms of Section 363 of the Companies Act No. 61 of 1973 as amended. This has, however, not hampered us with our investigations into the affairs of the company.

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SECTION 402(a) : FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

The following represents the assets and liabilities of the company that we are aware of as at date of liquidation. The assets and liabilities listed are subject to verification and adjustment and may change depending on the claims submitted for proof.

ASSETS	AMOUNT {R}	AMOUNT{R}
<u>Immovable Property</u>		
Erf 1344, Astonbay, near Jeffreys Bay, Eastern Cape – valued at (Subject to a Mortgage Bond in favour of ABSA Bank Limited)		R30 000 000.00
TOTAL		R30 000 000,00
LIABILITIES	AMOUNT {R}	AMOUNT {R}
Secured Creditor : ABSA Bank – Estimated at	R20 354 011.00	
Preferent Creditors: Unknown at this stage	Unknown	
Concurrent Creditors - Estimated at	R15 000 000.00	
Concurrent Creditors - Disputed claims	R28 422 118.66	
SHORTFALL		R33 776 129.66
TOTAL	R63 776 129.66	R63 776 129.66

COMMENT ON THE ASSETS

1. The valuation of the immovable property is based on our estimate.

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2. A forced sale value of R 27 000 000.00 (Twenty Seven Million Rand) has been obtained by us whilst the company's records reflected a value of some R 40 000 000.00 (Forty Million Rand).
3. Certain creditors however deem the value to be R 93 750 000.00 (Ninety Three Million Rand Seven Hundred and Fifty Thousand Rand) based on a valuation received by them and attached to their documentation in support of their "betterment" claim in the amount of R 25 658 790.27 which forms part of the disputed claims reflected under the liabilities referred to above. This valuation was done on a Comparative Market Analysis method based on research by the valuator of research done of other similar property transactions.

COMMENTS ON THE LIABILITIES

The liabilities relate in the main to monies owing to ABSA Bank in respect of their loan to the company secured by a Mortgage Bond registered over the immovable property (secured creditor).

The extent of monies owing to the South African Revenue Services (if any) is unknown at this stage (preferent creditor).

The concurrent claims against the company relate to monies which have been invested by various parties who allege that they had been lured into investing in the Genesis Property Group and as well as to claims by parties who have rendered services.

The disputed claim is made up of the betterment claim in the amount of R25 658 790.27 referred to above and a claim in the amount of R 2 830 965.03 in respect of which we have called for substantiating documentation.

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

The Company's failure is a consequence of the demise of the Genesis Group of Companies.

SECTION 402(c) : REPORT TO THE MASTER IN TERMS OF SECTION 400 (2) OF THE COMPANIES ACT

Based upon the information available to us at this stage, it is our intention to submit a report to the Master in due course.

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SECTION 402(d) : PERSONAL LIABILITIES OF DIRECTORS OR OFFICERS

At this stage it appears that the former directors of the company may be held personally liable for the debts of the company. Investigations are being conducted and a report will be submitted should it become necessary.

SECTION 402(e) : LEGAL PROCEEDINGS

We have no knowledge of any legal proceedings pending or threatened by or against the company as at date of liquidation other than actions relating to the recovery of debt.

The disputed claims relate to claims which are in the nature of damages and in respect of which no substantiating documents have been filed.

SECTION 402(f) : ENQUIRY

Based upon the information available to us at this stage and the failure of the directors to provide us with the books and records of the company, it appears that we may have to convene an enquiry in order to fully investigate the formation and failure of the company in terms of the provisions of the Act and to also issue subpoenas to ensure that the directors provide us with the company's books and records as they are required to do in Law.

SECTION 402(g) : BOOKS AND RECORDS

We have not been provided with any books and records and we are consequently not in a position to advise whether proper books have been kept.

SECTION 402(h) : ESTIMATED DIVIDEND

Based on the value of the asset and known claims, there would appear to be a prospect of a concurrent dividend award should the property realise its true value.

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

Such directions as are required of creditors are contained in the draft resolutions numbers 1 – 13 which are submitted for consideration and adoption by the creditors at the second meeting of creditors in conjunction with this report. Creditors are requested to adopt these resolutions to enable the administration of the company in liquidation to be continued with and finalised.

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SIGNED at STELLENBOSCH on this 8th day of April 2009


JOHANNES FREDERICK KLOPPER
JOINT LIQUIDATOR

SIGNED at CAPE TOWN on this 2nd day of APRIL 2009


CHRISTOPHER PETER VAN ZYL
JOINT LIQUIDATOR

SIGNED at CRAWFORD on this 3rd day of APRIL 2009


REHANA MOOLLAJIE
JOINT LIQUIDATOR

C/O INDEPENDENT TRUSTEES (PTY) LIMITED
P O BOX 820
STELLENBOSCH
7599

TEL: 021 - 880 5400
FAX: 021 - 880 5430

SOLAR SPECTRUM TRADING 280 (PTY) LIMITED (IN LIQUIDATION)**REGISTRATION NUMBER : 2007/003273/07****("the Company")****MASTER'S REFERENCE NUMBER : C658/2008****RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS TO BE HELD BEFORE THE MAGISTRATE, BELLVILLE, ON FRIDAY, 17 APRIL 2009 AT 11H00****RESOLVED THAT:**

- 1 The report of Liquidator or Joint Liquidators, as the case may be, hereinafter referred to as (the Liquidators"), as submitted be received and adopted and all their 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 Joint Liquidators be and are hereby confirmed, ratified and approved.
- 3 The Liquidators 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 their sole and absolute discretion.
- 4 The Liquidators be and are hereby authorised in their 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.
- 5 The Liquidators be and are hereby authorised in their 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 company 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.

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- 6 The Liquidators be and are hereby authorised to collect 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 they in their 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 they in their sole discretion may deem to be irrecoverable.
- 7 The Liquidators be and are hereby authorised to dispose of any movable and immovable property of the company, whether in their possession or under their control now or to come into their possession or under their control in the future by public auction, private treaty or public tender upon such terms and conditions as they in their sole and absolute discretion shall determine and to abandon any such assets for which they 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 Liquidators 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 Liquidators be and are hereby authorised and empowered in their 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 Liquidators, provided that proof thereof has been tendered at a meeting of creditors.
- 9 The Liquidators be and are 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 Liquidators be and are hereby authorised to perform any act or exercise any power for which they are not expressly required by the Companies Act No. 61 of 1973, as amended, to obtain the leave of the Court.
- 11 The Liquidators be and are 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 Liquidators be and are 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 Liquidators be and are 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.

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- 14 The creditors hereby consent to the Liquidators' 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 Liquidators in terms of the actual time spent by their 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 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 Joint Liquidators in the administration of the estate, and
 - 15.3 particular difficulties experienced by the Joint Liquidators 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 Joint Liquidators.

q.q. CREDITORS

MAGISTRATE, BELLVILLE