HOMEVELD CONSTRUCTION (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : T1445/05

REPORT OF THE JOINT LIQUIDATORS, LDR VAN DER MERWE , & LA LOUBSER, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS, MEMBERS AND CONTRIBUTORIES TO BE HELD BEFORE THE MASTER OF THE HIGH COURT PRETORIA ON THURSDAY, 20 SEPTEMBER 2007 AT 10:00 AM

ORDER OF THE COURT AND MEETINGS

Nature of Liquidation	Application by way of a Special Resolution (Creditors Voluntary)
Date of liquidation	30 August 2005
Date of provisional Order	N/A
Date of Final Order	N/A
Provisional appointees	LDR van der Merwe, LA Loubser
Date of 1st meeting of creditors	5 June 2006
Final appointees	LDR van der Merwe, LA Loubser

History and information of the Company

According to the Registrar of Companies the company was incorporated under registration number 1965/010748/07.

Registered Address

The registered address of the company is 42 Lebombo Street, Ashley Gardens 0081.

Directors

It appears from my investigations the following person/s consented to serve as directors:

A A Beylis, H J Myhill, S J Markowitz, C F Niehaus.

Share Capital

We have not been able to obtain the statutory documentation of the company and cannot comment under this heading.

Business of the Company

The company exclusively acted as a construction company.

Auditors

The auditors of the company are Malan & Partners.

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STATEMENT OF AFFAIRS

We have not been place in possession of a Statement of Affairs as required in terms of Section 363 of the Companies Act No 61 of 1973 as amended.

SECTION 79(A) : FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

The following represents the assets and liabilities of the company at date of liquidation. Unless otherwise stated, these figures only represent estimates of the assets and liabilities and will change depending on the amounts of realisation of unsold assets and claims submitted for proof.

ASSETS

IMMOVABLE PROPERTY	NOTES	AMOUNT	AMOUNT
None			
MOVABLE ASSETS			
None			
Claims against 3rd parties			
			1,420,000.00
TOTAL ASSETS			**1,420,000.00**
LIABILITIES			
Secured			
None			
Preferent Creditors			
Receiver of Revenue		Unknown	
Employees		10,000.00	
Concurrent Creditors			
Trade Creditors (approximately)	**(c)**	150,000.00	
TOTAL LIABILITIES		**160,000.00**	
Surplus			**1,260,000.00**

NOTES

The statement of assets and liabilities must be read in conjunction with the following notes:

(a) According to the CM100 it is highly doubtful that the liquidators will be able to recover any amount in respect of the claim against the Department of Housing.

(b) The surplus referred to will only materialize if the liquidators are indeed successful.

CAUSES OF THE COMPANY’S FAILURE

The company operated as a construction company for many years. Towards the end the company constructed large volumes of low cost housing for the Department of Housing. Almost from inception disputes arose around payments all culminating in the company being unable to meet its obligations and leading to its eventual liquidation.

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REPORT TO THE MASTER IN TERMS OF SECTION 400 OF THE COMPANIES ACT

It is not our intention at this stage to submit a report to the Master of the High Court. However, we are still investigating this aspect and if necessary, a detailed report will be submitted to the Master should it be necessary.

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. It should be noted that the estate of the sole director of the company has been sequestrated.

LEGAL PROCEEDINGS

We have no knowledge of any legal proceedings pending by or against the company.

ENQUIRY

The liquidators do not intend to hold an enquiry at present. Creditors will be informed if the liquidators decide to proceed with an enquiry into the affairs of the company.

BOOKS AND RECORDS

We have taken control of the books and records found at the offices of the company.

PROGRESS AND PROSPECTS OF WINDING UP

The liquidators are currently investigating fully the claim against the Department of Housing.

LEASES

There is nothing to report under this heading.

ESTIMATED DIVIDEND

From the information supplied it should be apparent that a dividend will only materialize if the liquidators are successful in their attempts to collect any moneys from the Department of Housing.

MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

Such directions as required of creditors are contained in the draft resolutions numbers 1 – 13 which is 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 continue.

SIGNED at Randburg on this _____________ day of __________________ 2007

_____________________ _______________________

LDR VAN DER MERWE **LA LOUBSER**

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RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MASTER, PRETORIA, ON THURSDAY, 20 SEPTEMBER 2007 at 10:00

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;

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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 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 further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

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q.q. CREDITORS