

MAGI SPECIAL OPPORTUNITIES (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : T1605/02

REPORT OF THE LIQUIDATOR, LIEBENBERG DAWID RYK VAN DER MERWE, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, PRETORIA ON FRIDAY, 15 NOVEMBER 2002 AT 10:00

ORDER OF THE COURT AND MEETINGS

- 1 The company was liquidated 21 February 2002 by way of registration of a special resolution in terms of Section 351 of the Companies Act. I was appointed provisional Liquidator on 16 April 2002. My appointment was made final by the Master of the High Court, Pretoria on 18 September 2002.
- 2 The first meeting of creditors and contributories was held before the Master of the High Court, Pretoria on 16 August 2002. At this meeting no claims were proved.

History and information of the Company

- 4 According to the Registrar of Companies the company was incorporated under registration number 99/20893/07.

Registered Address

- 3 The registered address of the company is Suite 11 & 12, Rynlal Building, 320 The Hillside, Pretoria.

Directors

- 4 It appears from my investigations that the following persons consented to serve as directors:
 - 4.1 Corney Snyman;
 - 4.2 Charl Terblanche; and
 - 4.3 Herman Bouwer.

Business of the Company

- 5 Magi Investment Holdings Limited ("Holdings") had a 100% shareholding in the company. Holdings would find investors to inject capital into Holdings. The funds would then be utilised by the company in various projects with the aim to generate high returns.

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STATEMENT OF AFFAIRS

6 I have been placed in possession of a Statement of Affairs as provided for in terms of Section 363 of the Companies Act.

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

7 The following represents the assets and liabilities of the company as 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 | | | |
| As per valuation | (a) | | 140,000.00 |
| Debt collected | (b) | | 72,000.00 |
| Debt to be collected | (c) | | 140,000.00 |
| TOTAL ASSETS | | | 352,000.00 |
| | | | |
| LIABILITIES | | | |
| Magi Investment Holdings Limited | | 2,300,000.00 | |
| Concurrent creditors (approximate) | | 271,911.90 | |
| TOTAL LIABILITIES | | 2,571,911.90 | |
| DEFICIT | | | 2,219,911.90 |

NOTES

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

- (a) The movable assets consist of a locomotive, front end loader and compressor. Offers for these items have been received and I will consider same as soon as creditors have adopted the resolutions.
- (b) An amount of R72,000.00 has been recovered.
- (c) An amount of R140,000.00 is still outstanding. The debtor has signed an acknowledgement of debt and I will proceed with actions against him if the amount is not paid.

CAUSES OF THE COMPANY'S FAILURE

8 The managing director of the company attributes the failure of the company to the fact that all funds were invested in various projects. This caused cash flow problems and the daily expenses of the company could not be paid.

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

- 9 I will submit a report in terms of Section 400(2) of the Companies Act, No 61 of 1973 as amended should it become necessary.

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

- 10 At this stage it does not appear that 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.

LEGAL PROCEEDINGS

- 11 The only pending matter has been settled.

ENQUIRY

- 12 I do not at present intend holding an enquiry in this matter.

BOOKS AND RECORDS

- 13 I have been placed in possession of the company's books and records, but same is not complete.

PROGRESS AND PROSPECTS OF WINDING UP

- 14 The only outstanding issues are the sale of the movable assets and the collection of debt.

LEASES

- 15 No lease agreements have been entered into.

ESTIMATED DIVIDEND

- 16 It appears that concurrent creditors will receive a dividend.

MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

- 17 Such directions as required of creditors are contained in the draft resolutions numbers 1 – 14 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.

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SIGNED at Randburg on this 28th day of October 2002.

LDR VAN DER MERWE

LIQUIDATOR

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RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MASTER OF THE HIGH COURT, PRETORIA ON FRIDAY, 15 NOVEMBER 2002 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 heretofore 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;
 - 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.

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- 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.

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- 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.

q.q. CREDITORS