

REGAL TREASURY BANK HOLDINGS LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2344/04

REPORT OF THE JOINT LIQUIDATORS, J F KLOPPER, G C GAINSFORD & J M DAMONS, 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 MAGISTRATE, RANDBURG ON WEDNESDAY, 28 SEPTEMBER 2005 AT 09:00

ORDER OF THE COURT AND MEETINGS

1. The Company was placed in liquidation by an Order of the High Court of South Africa (Witwatersrand Local Division) on 7 September 2004. The Master of the High Court, Johannesburg appointed us as provisional liquidators on 21 October 2004.
2. The first meeting of creditors and contributories was held before the Magistrate, Randburg on Wednesday, 7 September 2004. At this meeting no claims were proved.
3. No voting took place at the first meeting of creditors and we were appointed as joint liquidators on 26 January 2005.

History and information of the Company

4. According to the Registrar of Companies the company was incorporated under registration number 1998/023778/06. The company has an authorised share capital of R5,000,000.00 made up of 500,000,000 shares of one cent each.

Registered Address

5. The registered address of the company is 1st Floor, Rex Welsh House, Sandown Village Office Park, Cnr Maude Street & Gwen Lane, 2196.

Directors

6. It appears from our investigations, the following persons consented to serve as directors:
 - R Buch
 - J L Lurie
 - M Z Pollack
 - S Bernic
 - D P Cohen

REGAL TREASURY BANK HOLDINGS LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2344/04

Shareholding

7. According to our records the authorised shares of the company are held by various individuals and nominees:

Business of the Company

8. The principal business of the company was to act as an investment holding company and to acquire, hold and retain shares, securities, and other movable and immovable assets and further as a Bank controlling company in terms of the Banks Act, No 94 of 1990.

STATEMENT OF AFFAIRS

9. We have not received the statutory statement of affairs from the former directors of the company.

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

10. 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. These figures are subject to change and verification.

ASSETS

IMMOVABLE PROPERTY	Note	AMOUNT	AMOUNT
None			
MOVABLE ASSETS			
None			
CLAIMS AGAINST 3RD PARTIES			
Contingent	(a)		Nil
TOTAL ASSETS			Nil
LIABILITIES			
To Subsidiaries		3,721,400.00	
TOTAL LIABILITIES		3,721,400.00	
DEFICIT		3,721,400.00	

Notes:

- a) The company instituted legal proceedings against Regal Treasury Bank as well as Standard Bank of South Africa all relating to the issuing of a dividend by the company. These claims are not reflected at any value as these claims are mere contingent upon the success of any legal action.

REGAL TREASURY BANK HOLDINGS LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2344/04

The liquidators have received an offer to purchase these contingent claims and will seek direction from creditors in this regard.

CAUSES OF THE COMPANY'S FAILURE

11. The causes of the companies failure is dealt with extensively in the ex parte application by the company for its own liquidation.
12. It can be summarized as the curatorship, and the eventual liquidation of Regal Treasury Bank, made the continued operation of the companies business impossible. Following the winding down of its other subsidiaries, the purpose for the company's existence ceased.

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

13. We 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

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

LEGAL PROCEEDINGS

15. We are aware of legal proceedings instituted by and against the company, all relating to the issuing of a dividend to the shareholder of the company.

ENQUIRY

16. Based on the facts known to me at this stage we do not at present intend convening an enquiry in this matter.

BOOKS AND RECORDS

17. We have received the books and records of the company.

PROGRESS AND PROSPECTS OF WINDING UP

18. As stated above we are at present investigating the possibility of continuing with litigation and will seek the direction of creditors in this regard.

REGAL TREASURY BANK HOLDINGS LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2344/04

LEASES

19. We are not aware of any lease agreements entered into by the company.

ESTIMATED DIVIDEND

20. At present it appears unlikely that concurrent creditors will receive a dividend.

MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

21. 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.

SIGNED at Randburg on this 28th day of February 2005.

J F KLOPPER

G C GAINSFORD

J M DAMONS

REGAL TREASURY BANK HOLDINGS LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2344/04

**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE
MAGISTRATE, RANDBURG ON WEDNESDAY, 16 MARCH 2005 at 09:00**

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;
 - 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.

REGAL TREASURY BANK HOLDINGS LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2344/04

- 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.

REGAL TREASURY BANK HOLDINGS LIMITED (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G2344/04

- 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