

YELLOW STAR PROPERTIES 1110 (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER: T1811/03

REPORT OF THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER, 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 MONDAY, 24 NOVEMBER 2003 AT 10:00

ORDER OF THE COURT AND MEETINGS

1. Following an application, Yellow Star Properties 1110 (Pty) Ltd ("the Company") was placed in provisional liquidation by Order of the High Court of South Africa, Transvaal Provincial Division on 8 July 2003. The Master of the High Court appointed Johannes Frederick Kloppe as provisional liquidator on 4 June 2003. The provisional order was made final on 13 May 2003.
2. The first meeting of creditors and contributories was held before the Master of the High Court, Pretoria on Monday, 13 October 2003. Business Partners Limited, one of the secured creditors, proved their claim at the first meeting of creditors.
3. No voting took place at the first meeting of creditors and J F Kloppe was appointed as liquidator on 27 October 2003.

History and information of the Company

4. According to the Registrar of Companies the company was incorporated under registration number 2000/020156/07.

Registered Address

5. The registered address of the company is Brooklyn Court Block A, 301 Lange Street, Nieuw Muckleneuk, 0181.

Directors

6. It appears from my investigations, the following persons consented to serve as directors:

- a. Isabel Botha
- b. Reinhold Gotz

I have been informed that Ms Botha had resigned as director some time ago, but I have to date not found any documentation in support of this allegation

Business of the Company

7. The principal business of the company was to act as a property own company conducting the business of letting its property.

YELLOW STAR PROPERTIES 1110 (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER: T1811/03

Share Capital

8. We have not been provided with the statutory books and records of the company, and accordingly cannot comment under this heading.

STATEMENT OF AFFAIRS

9. I 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	NOTES	AMOUNT	AMOUNT
Erf 2382 Glen Marias, Kempton Park	[1]		3,100,000.00
MOVABLE ASSETS			
None			
TOTAL ASSETS			
LIABILITIES			
Secured	[2]	5,050,000.00	
Preferent Creditors (unknown)	[3]	50,000.00	
Concurrent creditors (unknown)			
TOTAL LIABILITIES		5,100,000.00	
DEFICIT			2,000,000

NOTES

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

- Note 1: The property consists of a number of buildings primarily that of a filling station. I have received a number of offers for the property, all of which will be considered in conjunction with the secured creditor.
- Note2 The immovable property is subject to a mortgage bond in favour of Business Partners Limited.
- Note 3 I have been informed that the outstanding rates and taxes are approximately R 50,000.00. This however needs to be confirmed

YELLOW STAR PROPERTIES 1110 (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER: T1811/03

CAUSES OF THE COMPANY'S FAILURE

Yellow Star Properties 1110 (Pty) Ltd signed surety for the indebtedness of Dotcom Trading 281 (Pty) Ltd. Yellow Star allowed a mortgage bond to be registered over its property as security for the indebtedness of Dotcom Trading 281 (Pty) Ltd.

Dotcom Trading 281 (Pty) Ltd defaulted on its repayments to Business Partners Limited, which eventually lead to its liquidation.

Yellow Star Trading 1110 (Pty) Ltd was then liquidated as well.

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

11. 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

12. 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.

LEGAL PROCEEDINGS

13. I am not aware of any legal proceedings by or against the company, except for normal debt recovery.

ENQUIRY

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

BOOKS AND RECORDS

15. I have received the books and records of the company.

PROGRESS AND PROSPECTS OF WINDING UP

16. As stated above I am at present investigating the possibility of continuing with litigation and investigating the dispossession of shareholding by the company.

LEASES

17. A long term notarial lease is registered against the title of the immovable property in favour of Total SA. The company is furthermore the landlord in respect of a number of other buildings situated on its property. No formal leases have been found to be in existence and I have come to interim arrangements with the occupants in respect of the payment of rent.

YELLOW STAR PROPERTIES 1110 (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER: T1811/03

Unfortunately one particular occupant has made no effort to formalize is occupancy and to date not paid any rental. Accordingly I may have to institute legal action for his eviction and to ensure vacate occupation the potential purchaser.

ESTIMATED DIVIDEND

18. Considering the above it should be apparent that it is at stage unlikely that concurrent creditors will receive a dividend. Creditors will however be informed should the position change.

MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

19. 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 29th day of October 2003.


J F KLOPPER

YELLOW STAR PROPERTIES 1110 (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER: T1811/03

RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MASTER OF THE HIGH COURT, PRETORIA ON MONDAY, 24 NOVEMBER 2003 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;
 - 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.

YELLOW STAR PROPERTIES 1110 (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER: T1811/03

- 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.

YELLOW STAR PROPERTIES 1110 (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER: T1811/03

- 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