

NMSA HOLDINGS LIMITED (IN LIQUIDATION)

("THE COMPANY")

MASTER'S REFERENCE NUMBER : T3927/98

REPORT BY THE LIQUIDATOR, JOHANNES FREDERICK KLOPPER, IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973, AS AMENDED, ("THE ACT"), TO BE SUBMITTED AT THE GENERAL (SECOND) MEETING OF CREDITORS TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, PRETORIA ON WEDNESDAY, 23 JUNE 1999 AT 10:00

INTRODUCTION

The company was provisionally liquidated on 25 August 1998 pursuant to an opposed application for its liquidation by Docmed Medical Scheme ("Docmed"). The order was made final on 1 October 1998. I have been appointed provisional liquidator, by the Master of the High Court, Pretoria, under his certificate of appointment dated 21 September 1998. I have been appointed final liquidator by the Master on 11 November 1998.

HISTORY OF THE COMPANY

The company is an investment holding company, which through its subsidiary in NMSA Limited conducted the business of administering the "Docmed Medical Scheme". The company was incorporated in terms of the Act, under registration number 95/10304/06, with its registered office at 731 Duncan Street, Hillcrest.

On 20 November 1996 the company was placed under provisional judicial management by Order of the High Court of South Africa (TPD).

Mr Petrus Jacobus Maryn van Staden and Casper Venter had been appointed as joint provisional judicial managers, by the Master of the High Court on 26 November 1996.

According to an auditors report dated 31 January 1997 the directors of the company are listed as:

H A Gutta

A A Visser

T W N van Schalkwyk

T L Steyn

P de V Wagner

C J A de Bruyn

C van Zyl
J B Nieuwoudt
E R Snyman
P J Meyer

I have been unable to verify this information and have not been contacted by any of the abovementioned persons.

The investigations conducted to date were of such a nature that interviews with the directors have not as yet been necessary. The directors will however be interviewed in due course.

REPORT IN TERMS OF SECTION 402 OF THE ACT

SECTION 402(a) : SHARE CAPITAL, ASSETS AND LIABILITIES

From the information obtained and my investigations to date, the assets and liabilities of the company, as at the date of liquidation, were as follows:

ASSETS	AMOUNT	AMOUNT
		NIL
LIABILITIES		
UNCERTAIN PREFERENT CREDITORS		
Unable to estimate at present		
CONCURRENT CREDITORS		
Trade Creditors (approximate)	1 493 904,80	
SHORTFALL (approximate)		1 493 904,80
TOTAL	1 493 904,80	1 493 904,80

1 With regard to the above I comment as follows:

1.1 The above figures are subject to verification and adjustment;

1.2 Although the company holds debentures of approximately R6 000 000,00 in NMSA Limited, these assets are without value as NMSA Limited has itself been liquidated;

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

The company's sole source of income was derived from the business of the Docmed Medical Scheme.

During March 1997 the agreement in terms whereof the company administered the Docmed Medical Scheme was cancelled. The company therefore lost its only source of income, which led to its ultimate liquidation.

I have addressed a letter to each of the known shareholders requesting them to supply me with the following information:

- 1) Proof of payment of their share capital
- 2) Proof of their monthly payments, in respect of medical cover.

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

Save for the failure by the directors to contact me and to submit a CM100 and the possibility that the books and records kept do not comply with the provisions of Section 284 of the Act it does not at this stage appear to be necessary to submit a report in terms of Section 400(2) to the Master of the High Court. Investigations will continue and a report will follow should it become necessary and the directors fail to submit a CM 100 when called upon to do at a later stage.

SECTION 402(d) : PERSONAL LIABILITIES OF DIRECTORS AND/OR OFFICERS OF THE COMPANY

It does not appear at this stage that any director or officer or former director or officer is personally liable for damages or compensation to the company or for any debts or liabilities of the company as is provided in the Act. A report in this regard will be submitted should it become necessary pursuant to further investigations that will follow.

SECTION 402(e) : LEGAL PROCEEDINGS

I am not aware of any legal proceedings pending by or against the company as at the date of provisional liquidation.

SECTION 402(f) : FURTHER ENQUIRIES INTO THE HISTORY AND AFFAIRS OF THE COMPANY

It might be necessary to conduct a further enquiry should the shareholders, all members of the Docmed Medical Scheme, not provide me with the abovementioned information that I have requested from them.

SECTION 402(g) : BOOKS AND RECORDS

I have been provided with certain documents but have not received all the company's books and records as is provided in Section 284 of the Act. Investigations in this regard will continue.

SECTION 402(h) : PROGRESS AND PROSPECTS OF LIQUIDATION

It should be clear from the above that there is a strong likelihood that no dividend will accrue to concurrent creditors.

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

Such directions as I require of creditors are contained in the draft resolutions, which are submitted for consideration and adoption by creditors, at this meeting in conjunction with this report. Creditors are requested to adopt these resolutions to enable the administration of the affairs of the company to be finalised.

Signed at SANDTON on this the day of MAY 1999.

J F KLOPPER

LIQUIDATOR

NMSA HOLDINGS LIMITED

(IN LIQUIDATION)

("THE COMPANY")

MASTER'S REFERENCE NUMBER : T3927/98

RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE MASTER OF THE HIGH COURT, PRETORIA ON WEDNESDAY, 23 JUNE 1999 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.
- 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.

CREDITORS