

QORUS SERVICES (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : T2085/02

REPORT OF THE JOINT LIQUIDATORS, JOHANNES FREDERICK KLOPPER, BAREND JOHANNES JACOBUS BEZUIDENHOUT AND STEPHANUS JOHANNES NEL, 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, JOHANNESBURG ON THURSDAY, 27 MARCH 2003 AT 09:00

ORDER OF THE COURT AND MEETINGS

- 1 The Company was liquidated by way of a special resolution that was registered on 30 April 2002. We were appointed as Liquidators by the Master of the High Court, Pretoria on 6 November 2002.
- 2 The first meeting of creditors and contributories was held before the Magistrate, Johannesburg on Thursday, 26 September 2002. At this meeting no claims were proved.

History and information of the Company

- 3 According to the Registrar of Companies the company was incorporated under registration number 1997/009102/07.

Registered Address

- 4 The registered address of the company is 137 Daisy Street, Grayston Drive, Sandown, 2196.

Directors

- 5 It appears from our investigations, the following persons consented to serve as directors:
 - 5.1 Francois Lodewyk Baird;
 - 5.2 Jacobus Johannes Nicholaas De Koning;
 - 5.3 Kevin John Herold Kevany;
 - 5.4 Dennis Smit;
 - 5.5 Russel Edwin Swarts;
 - 5.6 Panorama Home Owners Association;
 - 5.7 Keith John Rhodes.

Business of the Company

- 6 The principal business of the company was investment in IT and people related businesses.

STATEMENT OF AFFAIRS

- 7 We have received the statutory statement of affairs from the former directors of the company.

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

8 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
MOVABLE ASSETS			
Debtors	[1]		1,100,000.00
Interest in subsidiaries	[2]		Unknown
Office furniture and equipment (sold)	[3]		30,000.00
TOTAL ASSETS			1,130,000.00
LIABILITIES			
<u>Secured</u>	[4]		5,200,000.00
Absa Bank			
Nedcor bank			
<u>Preferent Creditors</u>			
	[5]		835,000.00
Concurrent creditors (unknown)	[6]		19,350,000.00
TOTAL LIABILITIES			25,385,000.00
DEFICIT			24,255,000.00

NOTES

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

- 1 The debtors of the company have been assessed at approximately R 1.1 million of which r 975,000.00 has been collected to date. The debts have been ceded to Absa bank as security for their claims against the estate.
- 2 The company had invested in a number of businesses and subsidiaries. Most of these investments had no value as at the date of the liquidation of the company and had been abandoned. The liquidators are presently negotiating with a number of parties interested in some of these investments. It is unfortunately at this stage impossible to comment on the likelihood of any recovery from these assets.
- 3 Office equipment and furniture was removed from the company's premises and sold by public auction.
- 4 As stated above Absa hold cession of the company's debtors. The liquidators have been informed by Nedcor Bank that they too hold cession of the debtors. The liquidators will investigate the aspect of the conflicting securities.

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Besides the cession of debts Nedcor Bank hold security over some of the office equipment as it was financed by way of Instalment sale agreement.

5 These figures are as per the statement of affairs.

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CAUSES OF THE COMPANY'S FAILURE

9 The directors of the company attribute the demise of the company solely to the fact that most of the investment of the company came to nothing as the "IT bubble" burst in 2000. Most of the company's capital had been employed in investments with no tangible assets value.

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

10 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

11 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

12 We are not aware of any legal proceedings.

ENQUIRY

13 We do not at present intend holding an enquiry in this matter.

BOOKS AND RECORDS

14 We have received some, but not all of the books or records of the company. The information obtained thus far has been from our own investigations.

PROGRESS AND PROSPECTS OF WINDING UP

15 All the assets of the company have been sold and the property is currently being transferred to the purchaser.

LEASES

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

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ESTIMATED DIVIDEND

17 Only the secured creditor will receive its secured award in respect of the proceeds of the sale of the property. Considering the amount owing to preferent creditors there will be no concurrent award to creditors.

MATTERS REQUIRING THE FURTHER DIRECTIONS OF CREDITORS

18 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 26th day of February 2003.

J F KLOPPER

B J J BEZUIDENHOUT

S J NEL

JOINT LIQUIDATORS

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS HELD BEFORE THE
MAGISTRATE, JOHANNESBURG ON THURSDAY, 27 MARCH 2003 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 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