

# **I PROBRITE LIMITED** **(IN LIQUIDATION) - "*the Company*"**

**MASTER'S REFERENCE NUMBER : C1139/2011**

**LIQUIDATORS' REPORT TO BE SUBMITTED AT SECOND MEETINGS OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE MAGISTRATE GRABOUW, ON THURSDAY 24 MAY 2012 AT 9H00 IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973, AS AMENDED, AS READ WITH CLAUSE 9 OF SECHEDULE 5 TO THE COMPANIES ACT NO 71 OF 2008, AS AMENDED ("*the Act*")**

## **ORDERS OF COURT AND MEETINGS**

The Company was wound up by resolution registered with the Companies and Intellectual Property Commission ("CIPC") on 25 October 2011. The undersigned were appointed jointly as provisional liquidators by the Master of the Western Cape High Court, Cape Town, on 14 December 2011.

There were no claims submitted for proof at the First Meeting of Creditors which was held before the Magistrate, Grabouw on 1 March 2012. The undersigned were appointed as Liquidators by the Master of the Western Cape High Court, Cape Town, on 26 March 2012.

## **FORMATION OF THE COMPANY**

The Company was incorporated on 6 April 2009 under Certificate of Incorporation Number 2009/007170/06.

## **CAPITAL STRUCTURE**

The undersigned are not in possession of the Company's share register or records but advise that from an affidavit deposed to by the Company's business rescue practitioner it would appear that the Company issued Class A and Class B shares amounting to R252,049,229.50 and five year debentures amounting to R140,554,513.50 to investors. The veracity of these figures is subject to verification.

## **REGISTERED OFFICE**

The registered office of the Company is at Marsh Rose Mall, 1 Oudebrug Road, Grabouw, Western Cape.

## **DIRECTORS AND AUDITORS**

According to the CIPC the directors of the Company as at the date of winding up were Herman Steele Viljoen, Willem Burger Nortje and Deonette de Ridder.

The Auditor was Bernard Shaw.

## **NATURE OF THE BUSINESS OF THE COMPANY**

According to its prospectus, the Company was formed as an investment vehicle for members of the public who wished to take advantage of the opportunity to invest in a five star, 140 room hotel in Blaauwberg Beach to be known as the Radisson Blue Hotel.

## **CAUSES OF THE FAILURE OF THE COMPANY**

The Company together with two associated companies Grey Haven Riches 9 Limited ("*Grey Haven 9*") and Grey Haven Riches 11 Limited ("*Grey Haven 11*") comprised investment vehicles for the raising of funding from the investing public for the various development undertakings of the Realcor Group.

Our investigations reveal that:-

1. the Company, Grey Haven 9 and Grey Haven 11 were, by resolution, placed under business rescue on 14 June 2011 and that the business rescue proceedings of all three companies were superseded by winding up resolutions.
2. the Company raised funding from the investing public by way of share and debenture issues and hundreds of millions of Rands were raised in this way. The precise amounts raised are still under investigation.
3. all the companies comprising the Realcor Group were, pursuant to an investigation commissioned by the Registrar of Banks ("*the Registrar*"), found to have contravened the Banks Act by illegally taking deposits from members of the general public whilst not being registered as a bank. The Registrar duly issued a directive to Realcor in terms of Section 83 of the Banks Act to repay the funds illegally obtained and appointed Mr Louis Strydom of Pricewaterhouse Coopers and

Mrs Linda MacPhail in terms of Section 84 of the Banks Act to act as managers of the repayment process.

4. due to the Registrar's intervention, the Realcor Group was unable to procure further public funding for its operations (in the case of the Company the funding was earmarked for the development of the Radisson Blue Hotel in Blaauwberg) leading to the failure of many of the subsidiaries, including the Company.

## **ASSETS AND LIABILITIES**

The Statement of Affairs (Form CM 100) lodged at the time of the voluntary winding up discloses no assets and a liability of R140,000,000 in respect of "*Debentures*". The undersigned believe that the Company holds equity in and has claims against Midnight Storm Investments 386 Limited (now in provisional liquidation and the subject of a business rescue application to be brought before the High Court) ("*Midnight Storm*"). Midnight Storm owns the Blaauwberg hotel property in the process of being built.

The true extent of the Company's assets and liabilities is under investigation.

## **REPORT TO THE MASTER**

The undersigned will, in due course, be filing a report to the Master of the High Court in terms of Section 400(2) of the Companies Act.

## **LIABILITY OF DIRECTORS AND OFFICERS**

We are still investigating whether any director or officer of the company could be held liable for damages or compensation to the Company or for any debts or liabilities of the Company as provided for in the Companies Act.

## **PROMOTION, FORMATION AND FAILURE OF THE COMPANY**

At this stage the undersigned are not aware of any matter relating to the promotion, formation or failure of the Company or the conduct of its business which requires further enquiry as extensive investigations have already been undertaken by the managers appointed by the SA Reserve Bank. Their report is awaited.

## **LEGAL PROCEEDINGS**

The undersigned is not aware of any legal proceedings pending or threatened at the date of liquidation.

The undersigned have yet to receive any books and records and are therefore unable at this stage to comment on compliance of the provisions of Section 284 of the Act.

### **PROGRESS AND PROSPECTS OF WINDING-UP AND ESTIMATED DIVIDEND**

The undersigned are awaiting the report of the managers appointed in terms of the Banks Act and for the outcome of the winding up proceedings (versus the business rescue application) in the Midnight Storm matter before being able to report to creditors and investors more fully on the Company's financial position and dividend prospects.

### **LEASES**

There were no lease agreements in existence as at the date of provisional liquidation of which the undersigned are aware.

DATED AT CAPE TOWN, THIS 15TH  
DAY OF MAY 2012

  
N GORE  
JOINT LIQUIDATOR

DATED AT CAPE TOWN, THIS 14TH  
DAY OF MAY 2012

  
JD APPIES  
JOINT LIQUIDATOR

**IPROBRITE LIMITED**  
**(IN LIQUIDATION) - *"the Company"***

**MASTER'S REFERENCE NO : C1139/2011**

**RESOLUTIONS TO BE SUBMITTED AT THE SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MAGISTRATE, GRABOUW, ON THURSDAY 24 MAY 2012 AT 9H00**

**IT IS HEREBY RESOLVED :**

1. That the report of the liquidator(s) and his/their actions as referred to therein be and are hereby approved, ratified and confirmed.
2. That the actions of the provisional liquidator(s) and liquidator(s) in engaging the services of attorneys and/or counsel on such matters as he/they found necessary in the administration of the company in liquidation to date, are hereby approved, ratified and confirmed. That the costs thereof be paid out of the funds of the company in liquidation as part of the costs of administration. That the liquidator(s) be authorised to conclude written agreements with their attorneys in terms of the provisions of Section 73 of the Insolvency Act No. 24 of 1936 (as amended) as read with the provisions of the Companies Act No. 61 of 1973 (as amended), dispensing with the need for preparation of bills and the taxation thereof, and that the actions of the provisional liquidator(s) and liquidator(s) in concluding such written agreements to date, are hereby approved, ratified and confirmed.
3. That the liquidator(s) be and is/are hereby authorised to engage whatever further legal assistance he/they may require in the interests of the company in liquidation and that the costs thereof be paid out of the funds of the company in liquidation as part of the costs of administration.
4. That the liquidator(s) be and is/are hereby authorised to institute or defend legal actions in order to collect debts owing to the company or in respect of any other matter affecting the company in liquidation including the holding of enquiries or examinations in terms of the Companies Act, 1973, as amended, or as read with the Insolvency Act, 1936, as amended, as he/they may deem fit, and for such purposes to employ the services of attorneys and/or counsel of his/their choice and to pay the costs out of the funds of the company in liquidation as part of the costs of administration.

5. That the liquidator(s) be and is/are hereby authorised to settle or compromise any legal proceedings whether instituted or to be instituted by or against the company, on such terms and conditions and for such amount as he/they in his/their discretion may deem fit.
6. That the liquidator(s) be and is/are hereby authorised to sell any movable or immovable property of the company in liquidation of whatsoever description and including outstanding debts by public auction, public tender or private treaty in such manner, upon such terms and conditions and for such amounts as he/they may deem fit.
7. That the liquidator(s) be and is/are hereby authorised to consent to the cancellation of any bond passed in favour of the company.
8. That the liquidator(s) be and is/are hereby authorised to agree to any reasonable offer of composition made to the company by any debtor, to accept payment of any part of any debt due to the company in settlement thereof, to grant an extension of time for the payment of any debt and to abandon such amounts due to the company as he/they has/have been unable to recover or dispose of as he/they may deem fit.
9. That the liquidator(s) be and is/are hereby authorised to engage the services of auctioneers or agents to sell the assets of the company in liquidation and to determine the conditions of sale and manner of advertising in his/their discretion.
10. That the liquidator(s) be and is/are hereby authorised and empowered in his/their discretion to compromise or admit any claim against the company, whether liquidated or unliquidated, arising from any guarantee or any other cause whatsoever, as a liquidated claim in terms of Section 78(3) of the Insolvency Act, as amended, at such amount as may be agreed upon between the creditor(s) concerned and the liquidator(s) provided that proof thereof has been tendered at a meeting of creditors.
11. That the liquidator(s) be and is/are hereby authorised to transfer to the purchaser thereof any immovable property sold by the company prior to its liquidation or to agree to the cancellation of any such sale and to re-sell such property or to agree to the substitution of a new purchaser under any existing Deed of Sale.
12. That the liquidator(s) be and is/are hereby authorised to abandon any asset or assets of the company where no purchaser for the asset(s) can be found.
13. That the liquidator(s) be and is/are hereby authorised to terminate leases in respect of premises or of any other object entered into by the company in liquidation.

14. That the liquidator(s) be and is/are hereby authorised to, if necessary, borrow moneys with or without providing security therefor and that the interest payable on such loans shall be paid as costs of administration of the company in liquidation.
15. That the liquidator(s) be and is/are hereby authorised to engage the services of bookkeepers, accountants, auditors or any other person for any purpose in and about the affairs of the company which he/they may require and the costs so incurred to be paid as costs of administration of the company in liquidation.
16. That the future administration of the company be left in the hands of and to the discretion of the liquidator(s).

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qq CREDITORS

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PRESIDING OFFICER

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qq MEMBERS