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Paul Daneel Kruger (082 573 4479)

Ons verw. / Our ref: PDK/cm
U Verw. / Your ref:

22 JANUARY 2010

CIRCULAR TO CREDITORS AND ALL INTERESTED PARTIES

Dear Sir/Madam

SPITSKOP VILLAGE PROPERTIES LIMITED (IN LIQUIDATION) **MASTER'S REFERENCE : T5113/09**

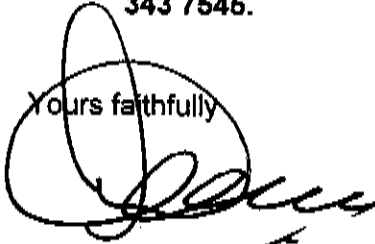
1. We refer to our Circular dated the 17th of September 2009.
2. We have now received the written judgement of Judge Bertelsmann and this judgement may be seen on our website, namely : www.spitskoppropinliq.co.za.
3. In terms of this judgement, the Judge found that there is no satisfactory explanation for the way in which the huge profit of R117 million was determined.
4. The Judge furthermore stated that the earning of a handsome profit is in itself neither unlawful nor undesirable, but the manner and the fashion in which this profit was calculated, and was paid out to the shareholders and directors is, to say the least, questionable.
5. The Joint Provisional Liquidators applied to Court for leave to convene an enquiry in terms of Section 417 of the Companies Act No. 61 of 1973 (as amended) and such an Order was granted and the Joint Liquidators proceeded with the enquiry. Please note that this enquiry is a secret enquiry and therefore the information may not be publicized without the consent of the Court.
6. The relevant Draft Order can also be viewed on our website.
7. The Joint Liquidators also applied to Court for an application in terms of Section 386(5) as read with Section 387(3) of the Companies Act No. 61 of 1973 (as amended) in extending the powers of the Liquidators. This Court Order can also be viewed on the website.

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8. The application for the extension of powers can also be viewed on the website.
9. A First Meeting of Creditors was held before the Master of the High Court in Cape Town on 10 November 2009. Various creditors attended the meeting and attempted to proof claims against the estate. All the claims of the "so call" Investor's Trust were rejected by the Master of the High Court Cape Town. The reason for that was that a creditor applied to the High Court Pretoria to declare Spitskop Village Properties Limited an unlawful scheme.
10. All creditors who have already submitted claims on claim forms distributed by the Joint Liquidators, do **NOT** have to submit claim documents on new claim forms, but all **NEW CLAIMS** must be completed on the new claim forms, which will be available on the website. Please note that the old claim form will be removed from the website.
11. Please note that the provisional appointment of Paul D. Kruger, P.D. Berman and T.W. van den Heever was made a final appointment by the Master of the High Court Pretoria, and the Final Certificate is also available on the website.
12. In view of the comment made by Judge Bertelsmann in his judgement, the Joint Liquidators applied to Court to obtain a Mareva Interdict against all the assets of the Directors and/or interested parties and/or possible debtors.
13. The Mareva Interdict was granted against Mr H.C. Lamprecht, but the Mareva Interdict against Mr J.J. van Zyl was withdrawn.
14. All the assets that the Joint Liquidators were aware of, are therefore frozen in terms of the Court Order and the Joint Liquidators will now proceed in realising these assets in an orderly way.
15. The Joint Liquidators also proceeded with an application against Blue Zone Property Investments (Pty) Limited. Such an Order was granted and the same Liquidators as in Spitskop Village Properties Limited (in liquidation), were appointed in this company.
16. Mr H.C. Lamprecht then applied for the Judicial Management of the following companies: Tropical Paradise Trading 320 (Chambers 2 & 3); Aktivex 88 (Milestone Route 21); Austin Crossing Properties; Autumn Star Trading (Castle Walk); Chambers Ground Floor Properties; Copper Moon Trading 248 (Property 259); Copper Moon Trading 249 (Celtis Plaza); Madeline Street Properties; Mystic Blue Trading 511 (Prospect Close); Nungu Trading 472 (TUT – The Heights); Proud Heritage Properties (Chambers First Floor); Quick Leap Investment (Africard); Summer Season Trading 51 (Bishops Court); Tropical Paradise Trading 334 (Flextronics); Valley View (Copper Sunset Trading 201); Waltloo Property (Street Spirit Trading 117 (Pty) Ltd); Ladikela Game Lodge (Pty) Ltd., and Mr Paul D. Kruger, E.L. Bester and a PDI (previously disadvantaged individual) in each matter were appointed as Provisional Judicial Managers by the Master of the High Court Pretoria.
17. The Court Order for the Mareva Interdict can be viewed on the website.
18. Application was also made for the liquidation of Blue Dot Properties (Pty) Limited, but such an application was postponed as this application was opposed.
19. Creditors will see that the Liquidators of Spitskop Village Properties Limited (in liquidation) did everything in their power to safeguard the assets of Spitskop and to proceed with the realisation thereof.
20. Please note that this legal process will **NOT** be finalized within the next 18 – 24 months. The Joint Liquidators will consider the matter and maybe make an advanced dividend to creditors in terms of the amount of assets realised to date, which was the R75 million which was in trust with Honey and Partners.

21. This process is being delayed due to the fact that the Joint Liquidators do not have a full and complete record of all the investors in the matter of Spitskop Village Properties Limited (in liquidation).
22. Any person or interested party who knows of a person who has not yet submitted a claim, must please do so **IMMEDIATELY** in order to finalise the matter as soon as possible.
23. The Joint Liquidators have also received a notice of an appeal against the Order of Judge Bertelsmann, but it appears that this application was withdrawn as the Joint Liquidators have not heard another word thereof up till today.
24. The Directors of Spitskop obtained various valuations and the investors/creditors are urged to read the judgement of Judge Bertelsmann and then you will realise that the property was inflated and that there is no offer on the table that is a valid offer and not just an offer on paper.
25. Any party interested in buying the property must please contact the Joint Liquidators, as the property is there and must be sold. At this stage there is **NO** viable offer on the table for the property and we can therefore not comment on what the property will realise for, except that the Joint Liquidators obtained a valuation of less than R2 million.
26. With the current information to our disposal, it seems that the dividends (when paid out to creditors) will not exceed 30 cents in the Rand.
27. Please send **ALL** queries **ONLY** to : cmienie@bureautrust.co.za or fax number : (012) 343 7545.

Yours faithfully



PAUL D. KRUGER
JOINT LIQUIDATOR