

D P COHEN N.O.

15 MAY 2018

AAN DIE BELEGGERS

Waarde Heer/Dame

**OMSENDSKRYWE AAN BELEGGERS IN TERME VAN DIE REËLINGSKEMA
TUSSEN ORTHOTOUCH BEPERK EN HIGHVELD SYNDICATION BELEGGERS
IN TERME VAN ARTIKEL 155 VAN DIE MAATSKAPPYE WET NO. 71 van 2008
(SOOS GEWYSIG)**

Ek verwys na vorige skrywes in bogemelde verband en vanweë onlangse verwikkelinge is dit nodig dat ek u ophoogte daarmee bring:

1. Die hofsake waarna ek verwys het in my laaste omsendskrywe, is nog nie afgehandel nie en ek was ook genoop om tussen beide te tree in ander sake wat die skema kon benadeel. Tot op datum was al my aansoeke suksesvol.
2. Ek het kennis geneem van Orthotouch Beperk se verklaring van die 11de Mei 2018 aan beleggers. Neem egter kennis dat ek nie 'n party is tot die "klas aksie" verigtinge nie. Dit het betrekking tot gebeure wat die skema vooraf gegaan het. Sover dit die aansoek om die skema tersyde testel aangaan, was en bly my posisie neutraal en sal ek gehoor gee aan die hof se bevel. Ek is gevolglik nie by die hangende litigasie met betrekking met die voorgaande betrokke nie.
3. Soos reeds vermeld in my vorige verslae het ek verskeie briewe deur my prokureurs aan Orthotouch gerig rakende die laat betaling van rente aan die alternatief 1 en 2 beleggers. Die posisie het nie verbeter nie en tydige betalings is nou die uitsondering eerder as die reel.

Hierdie toedrag van sake is onaanvaarbaar en 'n vormele aanmanings skrywe is aan Orthotouch en Zephan gerig wat onderandere aandring op gereelde

betalings voor of op die 7de van elke maand, by versuim waarvan ek die hof sal nader om nakoming afdwing.

4. Tydens 'n direksie vergadering op die 14de February 2018 en verskeie vergaderings daarna is ek verseker dat die uitstaande kapitaal balans van die alternatief twee beleggers nie later as 30 Junie 2018 betaal sal word nie. Dit klaarblyklik tenspyte daarvan dat die fondse wat die betaling geormerk is, gevries is.

In die skrywe (verwys na in paragraaf 3 hierbo) is Orthotouch en Zephan meegedeel dat aksie ingestel sal word indien die uitstaande kapitaal nie by 30 Junie 2018 betaal is nie.

5. Tydens 'n direksie vergadering op 24 Februarie 2018 het Orthotouch bevestig dat die terme en voorwaardes van die skema wat betrekking het op die alternatief 3 beleggers vervul sal word teen 30 Junie 2018. Die aandeel pryse van eiendomsmaatskappye wat gelys is op die Johannesburgse Effekte Beurs het verbeter seder die einde van verlede jaar. Orthotouch het my verseker dat daar voldoende bevonding in plek is om hierdie opsie te bevredig.

'n Skrywe wat bogemelde bevestig asook aandui indien dit nie vervul is by 30 Junie 2018 nie, 'n hof aansoek geloods sal word.

U sal jou ophoogte gehou word van verdere verwikkelinge.

Die Uwe



D P COHEN N.O.
Ontvanger

D P COHEN N.O.

15 MAY 2018

TO THE INVESTORS

Dear Sirs

CIRCULAR TO INVESTORS IN TERMS OF THE SCHEME OF ARRANGEMENT BETWEEN ORTHOTOUCH LIMITED AND HIGHVELD SYNDICATION INVESTORS IN TERMS OF SECTION 155 OF THE COMPANIES ACT N.71 OF 2008 (AS AMENDED)

I refer to previous circulars in this regard and in the light of recent developments, I believe it necessary to provide you with an update:

1. I am continuing with the litigation referred to in my last circular but have also intervened in a number of cases which will have a detrimental effect on the Arrangement. To date all of my applications have been successful.
2. Regarding Orthotouch's statement dated 11 May 2018 to investors, I have noted the contents. Please be aware that I am not a party to the "the class action" proceedings which relate to events prior to the due date of the Arrangement. In respect of the application for the setting aside of the Arrangement, my position has always been to remain neutral and abide by the Court's decision. I am therefore not involved in the pending litigation relating thereto.
3. As reported previously, I have addressed a number of letters through my attorneys to Orthotouch regarding the non-punctual payment of monthly interest to the Alternative 1 and 2 investors. Late payments persist despite the latitude given to Orthotouch and Zephan in this regard. In recent months payment of monthly interest on the 7th of each month (per the Arrangement) has become the exception rather than the rule. More recently, there has been a deterioration in the payment patterns.

I find this position to be unacceptable and therefore my attorneys have been instructed to address a letter of demand to Orthotouch and Zephan placing them on terms and inter alia demanding that should future monthly interest payments not be paid by the 7th of each month I will be compelled to approach the courts.

4. I was assured at a board meeting on 14 February 2018 and subsequently at other meetings, that the outstanding capital balances in respect of the Alternative 2 investors will be paid by no later than 30 June 2018, notwithstanding the fact that various court cases resulted in the funds earmarked for this payment to be frozen.

In the letter referred to in 3 above, Orthotouch and Zephan were informed that should the capital balances not be paid by 30 June 2018, appropriate action will be instituted.

5. At a board meeting on 24 February 2018 and subsequently thereafter at other meetings, Orthotouch confirmed that the terms and conditions relating to Alternative 3 investors will be fulfilled by 30 June 2018. The JSE prices of property companies have improved since the end of last year. As part of Orthotouch's confirmation, I was assured that appropriate funding will be available to satisfy this option.

A letter to the effect that should conditions relating to the Alternative 3 investors not be fulfilled by 30 June 2018 the court will be approached for the appropriate relief.

I will keep you informed of developments as matters progress.

Yours Sincerely



D P COHEN N.O.
Receiver