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Your Reference: All
Date: 30 November 2020

To Investors / Creditors

ORTHOTOUCH AND ZEPHAN PROPERTIES (PTY) LTD (IN BUSINESS RESCUE) NOVEMBER 2020 REPORT

Dear Sirs

BUSINESS RESCUE PROCEEDINGS

1. Commencement of Business Rescue: 7 November 2019.
2. Appointment of Business Rescue Practitioner (BRP) – J du Toit: 14 November 2019.
3. First Meeting of Employees: 27 November 2019
4. First Meeting of Creditors: 28 November 2019
5. Business Rescue Plan filing date: 31 March 2020
6. Second creditors meeting: to be held once a suitable mechanism is established to conform with prevailing COVID – 19 restrictions.

BUSINESS PROGRESS

7. The Business Rescue Practitioner refers to items arising from the report of July, August, September and October 2020.
8. The additional investigation has been completed save for a property valuation and the number of affected Parties remaining since a number of affected Parties have sold their claims.
9. The Business Rescue Plan has been amended in collaboration with the attorneys and advocate of record for Zephan and Orthotouch and will be finally updated with the few outstanding items listed above. This plan will be distributed to all creditors as soon as practicable and after having been presented to the Creditors Committee for final input.
10. Prior to distribution of the plan and convening a meeting for the purposes of voting in terms of the Companies Act, in order to ensure a valid voting process, the Business Rescue

Practitioner is contemplating approaching the courts for a Declarator regarding certain legal aspects.

11. The clarity this order will provide relates to the so called "Buyback Agreements", the HS Business Rescue and court sanctioned Section 155 Scheme of Arrangement, and ultimately creditors rights.

LITIGATION

12. As previously advised, certain attorneys still persist with litigation in flagrant disregard of the applicability of Chapter 6 of the Companies Act, and moratorium against legal action as regulated by Section 133 of the Companies Act. This is being vigorously defended by the Companies' legal team.

Class Action Litigation

13. The legal team acting for the companies demanded Theron Attorneys disclosure of the class action participants in terms of High Court rule 35. This disclosure in the form of a list of purported clients has been received by us and is currently under investigation as it is suspected that the list of Investors disclosed as part of the class action is incorrect. The result of this scrutiny will be advised to creditors in due course.

COVID-19

14. During Level 1, meetings and gatherings remain prohibited, preventing the holding of a second creditors meeting regarding the some 13 000 affected persons.
15. Until or unless a physical meeting can be held pursuant to a relaxation of the current rules, the Business Rescue Practitioner has investigated a process whereby affected persons will attend a virtual meeting and vote remotely in terms of a legally compliant voting mechanism.
16. The rollout of the foregoing will be provided to all affected persons in the near future.

Please be advised accordingly and feel free to address any written queries to the writer.

Yours faithfully



Du Toit Business Rescue Practice

Per: Jacques Du Toit (Senior Business Rescue Practitioner)