

Your ref

Our ref

Date

W Zwiegers/ZC231

30 November 2017

Writer's Direct Fax Line: 086 619 6422

TO THE INVESTORS

Dear Sirs

CIRCULAR TO INVESTORS WHO ELECTED ALTERNATIVE 3 IN TERMS OF THE SCHEME OF ARRANGEMENT BETWEEN ORTHOTOUCH LTD AND HIGHVELD SYNDICATION INVESTORS IN TERMS OF SECTION 155 OF THE COMPANIES ACT NO. 71 OF 2008 (AS AMENDED)

We act for the Receiver to the Arrangement, Mr Derek Cohen.

Alternative 3 contemplates the conversion of Alternative 3 investors claims into shares in a new Property Fund to be listed on the JSE.

Details are set out in the Arrangement.

Subsequent to the sanctioning of the Arrangement, two attorneys in particular have done everything within their powers to destabilize the Arrangement with the sole aim of collapsing the Arrangement by attempting to have their clients rights preferred over the general body of investors despite their clients being bound like all other investors to the Arrangement.

This has resulted in many legal actions been brought against, inter alia, Orthotouch (the proposer), Zephyr Properties (Pty) Ltd (the financial underwriter of the Arrangement) and various parties connected to these companies. The court has granted Mr Cohen leave to intervene in some of the actions. In addition, one of these attorneys has brought a liquidation application against Zephyr and other parties. Despite the liquidation application having little merit, Mr Cohen has launched an intervention application in order to protect the integrity of the Arrangement.

One of the outcomes in bringing these irresponsible legal actions is that these two attorneys made it their business to widely publicise most of these actions. Consequently funders who showed interest in providing debt required for the listing have now declined to participate because of the reputational risk of being associated with the listing.

As an aside, companies in the JSE property sector with locally based property portfolios which are similar to the Alternative 3 property portfolio have recently shown a marked reduction in their share prices mainly as a result of the depressed domestic economic environment.

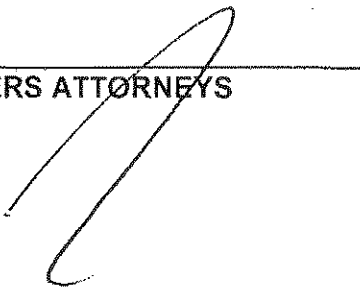
In summary, it is currently impossible for the new Property Fund to procure debt funding to acquire the ear marked properties for listing which has been exacerbated by the liquidation application.

ZWIEGERS

In view of the above, Mr Cohen will request Orthotouch to defer the anticipated listing until Alternative 3 investors can be assured that both the funding is available to make the listing feasible and the economic environment improves resulting in a successful listing.

We thank you for your understanding and will communicate with you should further developments arise.

Yours faithfully



ZWIEGERS ATTORNEYS