

ORTHOTOUCH

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Dear Investor

Several months ago I was appointed as a non-executive director of Orthotouch Limited and accepted the Chairmanship of the company.

On 14 December 2011 the vast majority of investors in the Highveld Syndication Companies (more than 99% of those present and voting) voted in favour of a Business Rescue Plan in terms of which the properties and rights to properties were acquired from the Highveld Syndication Companies by the company.

The Business Rescue Plan allows for investors to be repaid their capital investments in 5 years, whilst receiving monthly interest calculated at 6% per annum in the first year, escalating by .25% per annum thereafter. The Plan was accepted as opposed to running the very real risk of losing a large percentage of investors' money in the Highveld Syndication Companies, pretty much emulating the tragic story of other property syndications, in the event of liquidation.

The company, in cooperation with Mr Hans Klopper, the Business Rescue Practitioner, is dedicated to the enormous challenge of securing the investment of thousands of investors, many of whom are pensioners. The scenario of this challenge to some seems unrealistic with reference to expected and projected returns on investment in an ever changing and vulnerable global financial environment. We have witnessed what happened to the markets towards the end of 2007 with the subsequent impact on world economies. We all know now that no surprises can be ruled out in uncertain financial circumstances, reeking havoc that often cannot be controlled or contained.

I accepted the Chairmanship of Orthotouch without access to all the detailed information regarding the history of events pertaining to the Highveld Syndication Companies and therefore cannot vouch for anything that transpired prior to where we are now.

What I do know and have witnessed is a concerted effort of everybody at the company to deliver on undertakings of the repayment of capital and interest to more than 18 000 investors.

I became acutely aware of efforts to obtain financing which would have addressed immediate problems by October last year, but which were covertly sabotaged at the last minute by certain individuals pretending to have the interest of investors at heart while they are constantly busy, at the peril of investors, to cast suspicion on the handling of affairs by the company and all involved in their own interests.

Tenancies are presently down, maintenance costs high and the company has not been able to obtain funding which results in delays in paying interest timeously. The interest has nevertheless been paid (albeit late) since March 2011 (when Orthotouch first entered the arena) and is only minimally in arrears. The company continues on a daily basis to address the cash flow dilemma currently experienced.

In my humble view a mistake was made initially to target precise payment dates for interest, based on the then tangible signs of financing which was considered secured. I strongly conveyed this point of view at my first directors' meeting in respect of the company. Unfortunately, this aspect is also used by the group of instigators referred to above to further instill suspicion with investors.

The sale of a part of the company's Portfolio into the proposed listing of Accelerator Property Fund will create positive cash flow both to ensure regular payments and the increase in capital. As far as I can establish, great strides have been made to realize this. Obviously, the more the listing becomes a reality, the more concerted the efforts of the instigators to sabotage the process.

I suggested that a circular be sent to shareholders to explain the difficult, but not desperate situation, and allay suspicions of any malpractices with reference to financial management of affairs. Up to now, albeit only a

couple of months as Chairman, I am not aware of any occurrences to warrant suspicion regarding the financial management of your interests.

Whatever transpires, one thing I know and know well after many lessons through a lot of years in life in general and business in particular, that the worst thing one can do is to instigate rumors to the detriment of one's own interests before it can be proved that irregularities are taking place and red flags are visible. Until this becomes clear to me and the others recently involved, we shall with dedication support all efforts of the company to honour its obligations to investors and we shall improve on communication with you in more efficient and frequent manner.

I urge you to not to lose heart and I assure you that no efforts are being spared in on-going attempts to erase the backlog in interest due to you. Meanwhile the listing is pursued vigorously and if successful, this will secure funds to bring obligations up to date.

Apart from confidentiality issues which are paramount in all businesses, certain information is not freely available as a number of court actions are being instituted between the company and the persons associated therein and the instigators and their connections.

Wishing you well and trusting that all of us will be able to soon look back on this chapter with restored confidence in all those involved to safeguard investments and deliver on your expectations.

Warm regards
Cas de Villiers

Pretoria
6 March 2013