

COMMUNICATION TO ALL INVESTORS

10 AUGUST 2017

Dear Sir/Madam,

HIGHVELD SYNDICATION 15 - 22 LIMITED (UNDER BUSINESS RESCUE) (“the companies”)

1. I write to you in my capacity as the duly appointed Business Rescue Practitioner to the above-mentioned companies ("the Business Rescue Practitioner").
2. The previous communications to investors, since the sanctioning of the scheme of arrangement proposed by Orthotouch (Pty) Limited by the High Court of South Africa in and during November 2014, were dealt with by the duly appointed Receiver for Creditors, Mr Derek Cohen,
3. During the last few months and weeks some controversial statements have been made in communications by parties purporting to have the best interests of investors at heart. These have been brought to the attention of the Business Rescue Practitioner and the Receiver for Creditors who have been requested to comment. Further statements have also been made on various social media platforms.
4. The Business Rescue Practitioner was appointed in September 2011 at which point he first became introduced to the affairs of the companies. The companies were then in severe financial distress and appeared to be hopelessly insolvent.
5. The Business Rescue Practitioner called for, and invited proposals, from all interested parties to attempt to rescue the business of the companies. This was done in the

interests of all its creditors, and with a view to proposing a viable business rescue plan. The alternative to this at the time was simply to liquidate the companies.

6. Pursuant thereto, the Business Rescue Practitioner received a rescue proposal which enabled him to construct a rescue plan which was duly put to and voted on favourably by all the various classes of creditors. The plan was implemented, initially successfully, but later ran into certain obstacles.
7. Various statements have been made to the effect that the business rescue of the companies has been a “failure”. The Business Rescue Practitioner disagrees with this statement as investors have received, since 2011, more than R1 Billion in distributions. Considering the financial position of the companies when the business rescue proceedings started, and comparing this scheme to other schemes of a similar nature, this scheme has been, at the least, a moderately successful one. Securing a better return for creditors than liquidation would achieve is one of the statutory aims of business rescue proceedings. In the view of the Business Rescue Practitioner, the outcome in fact achieved has undoubtedly been more advantageous to creditors than the liquidation of the companies would have been.
8. Investors also need to be reminded that in the latter part of 2014 a group of investors commenced with High Court applications for leave to have a class action certified and in early 2015 launched an application to set aside the sanctioning of the scheme of arrangement by the High Court in the abovementioned companies. These cases are ongoing and it would be inappropriate to comment on their outcome at this juncture.
9. If the scheme of arrangement is set aside, the Business Rescue Practitioner will be required to assess the effect on the business rescue, and particularly whether the

business rescue remains viable under those circumstances. If the business rescue is no longer viable, then the Business Rescue Practitioner may be obliged in terms of the Companies Act to apply for an order bringing the business rescue proceedings to an end and placing the companies in liquidation. Such an assessment will be thoroughly carried out if it becomes necessary. At this stage the Business Rescue Practitioner merely wishes to point out that, in his view, there is a real prospect of liquidation in those circumstances.

10. Legal advice has been obtained and the Business Rescue Practitioner has acted in accordance therewith.

11. Further updates will be provided as and when appropriate.

Yours faithfully,



JF (HANS) KLOPPER

BUSINESS RESCUE PRACTITIONER