

# ORTHOTOUCH

## NEWS

### WELCOME

Welcome to the first Orthotouch Newsletter.

Orthotouch News will keep stakeholders involved and updated in regard to the progress of the Company. Orthotouch News will be published on the Website on a regular basis following on meetings of the Board of Directors.

Negative forces (the detractors) are still active with their agenda to derail the Orthotouch rescue of the Highveld Syndication Companies for their own purposes. Such forces would have our Investors believe otherwise, but Orthotouch is running well and is on target to achieve its objectives.

In the start-up of any business there are teething problems and we are having our share. This however, is not just any business – it is a property fund which is striving within 5 years to increase its value from less than R3 billion to more than R5 billion. No mean feat!!!

Though the media, paper and radio, pay lip service to the detractors of Orthotouch, the Company continues to strive towards its objectives. Fortunately there are Investors (who at the end of the day are our primary concern) who are now seeing the true picture and it is heartening to receive their letters of appreciation and encouragement.



**Key Largo Shopping Centre - Boksburg**

### MEETINGS

Orthotouch has thus far held 3 board meetings and 1 special meeting of the Legal Committee this year.

One of the primary objectives of the meetings was to take charge of the assets of Orthotouch and to introduce measures of compliance in regard to Corporate Governance.

To this end the Board of Directors was formally installed and various sub-committees were formed.

#### Board of Directors:

Jannie Nel *	Chairman
Nic Georgiou	Managing Director
Hans Klopper *	Director
Connie Myburg *	Director
Panos Kleovoulou *	Director

*\* Non-Executive*

#### Management Committee (ManCom)

Nic Georgiou	Chairman
Dimitri Kyriakides	Finance
Anton Killian	Property & Leasing
Kyriacos Michaelides	Strategy

#### Audit Committee

Jannie Nel  
Connie Myburg  
Panos Kleovoulou

#### Remuneration Committee

3 Directors provided that no party shall be a member of the committee when his or her own remuneration is under consideration

## GOALS

Benjamin Disraeli once said:

**"The secret of success is constancy of purpose."**

The Board of Directors and the various Committees of Orthotouch remain steadfast in their resolve to fully deliver in terms of the Business Rescue Plan adopted by the investors in Highveld Syndications 15 -22 Limited on 14<sup>th</sup> December 2011 and they are exercising their fullest attention and best endeavors in this regard.

Despite the hype created by the detractors, Orthotouch is the only company to have attempted a bail-out of a property syndication group, and that process is progressing well.

Many of the investors involved in the Highveld Syndications were also involved with other property syndications, all of which have failed. No attempt was made to bail out any of the other failed syndications.

Stakeholders and in particular Investors are urged to support Orthotouch in its endeavors and not to be swayed by false promises and derailing tactics of detractors.

Sooner or later the detractors will overplay their hand and their ulterior motives and self-serving agendas will be exposed.

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## AUCTION OF PROPERTIES

The detractors have sought to make ominous suggestions relating to the placement of several properties by Orthotouch on Auction.

The Plan of Action forming part of the Business Plan upon which the Orthotouch deal is based, provides, *inter alia*, that:-

- ***"The objective of Orthotouch is to maximise the investment return of Shareholders and all Stakeholders in Orthotouch by selling off the non-performing properties and utilising the proceeds to redevelop primary shopping centres....."***

- ***The broad plan of Orthotouch ..... is to:-***
  - ***sell non-performing properties***
  - ***redevelop primary shopping centres.....***
  - ***employ necessary resources and skills to position Orthotouch as a highly respected developer of shopping centres.....***
  - ***professionally manage the investment property portfolio***
  - ***invest the cash generated from the sale of non-performing assets to the maximum benefit of shareholders and stakeholders."***

The selling of properties is and has at all times been an integral part of the Business Rescue Plan.

Sales by auction are always subject to confirmation and therefore the auctioneer in effect serves the same role as a broker. This is normal in business and the sinister connotations attached to this process constitute no more than further derailing tactics.



**7 MAIN ROAD, MELVILLE**

Several Orthotouch properties were placed on Auction by The High Street Auction Co on 28 March 2012.

The Auction which was held at Summer Place in Illovo was well attended. Several offers have been received and are currently under consideration by ManCom and the Board.

Future editions of Orthotouch News will report on concluded sales and purchases which affect the Property Portfolio.

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## EASTER

*“The message of Easter cannot be written in the past tense. It is a message for today and the days to come. It is God’s message which must re-echo through our lives.”*

~Frank D. Getty

**May you have**

**The gladness of Easter, which is Hope**

**The promise of Easter, which is Peace**

**The spirit of Easter, which is Love**

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### PAYMENT OF INTEREST

The detractors have sought to suggest that the payment of interest is deliberately delayed to the last day possible. This is absolutely not true.

Every effort is being made to get the cash flow of Orthotouch right to enable the interest to be paid on time i.e. by the 7<sup>th</sup> of each month.

Delays in this process have been unavoidable due to a bad kick-off due to Orthotouch being let down by a major financial institution, placing Orthotouch in a position where it has been “playing catch up” since.

The problem is being addressed in earnest and will be resolved soon.

In the meantime the interest due on 7 April 2012 will be paid not later than 20 April 2012.

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### CONTRIBUTORY ARTICLES

Stakeholders of Orthotouch are invited to submit articles of interest for inclusion in future newsletters. It will at all times be in the discretion of ManCom and the Board whether to print any articles at all, in part or in whole.



## CONFIDENTIALITY

Orthotouch News has adapted the following passage from an article on the Internet:

***“When selling a property, confidentiality is key.***

***If employees, competitors and others find out that an owner intends to sell a property, the consequences can be extremely negative, well beyond simply putting the property sale at risk.***

***The issue of business confidentiality should not be taken lightly.***

***Confidentiality is vital if you hope to successfully conduct your business.***

***Why? Well, what if someone in your organization familiar with your plans talks to a competitor? That could lead to rumours that derail a potential sale.***

***Confidentiality is core to running a successful business. You discuss plans with the key executives that are essential to making your business successful.***

***Do all stakeholders have the same access to information? No!!! Information is parceled based on seniority and need to know.”***

The detractors make much hype of the fact that Orthotouch does not report on every move it makes. There is no intention to withhold information, only to ensure that every effort is made to succeed in our goal.

Through Orthotouch News and the Website generally, Orthotouch will endeavor to keep stakeholders as informed as possible without risking failure through breach of confidentiality.

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