ZEPHAN PROPERTIES (PTY) LTD (IN BUSINESS RESCUE)

REGISTRATION NUMBER: 2003/020174/07

("ZEPHAN")

ORTHOTOUCH (PTY) LTD (IN BUSINESS RESCUE)

REGISTRATION NUMBER: 2010/004096/07)

("ORTHOTOUCH")

(COLLECTIVELY REFERRED TO AS "THE COMPANIES")

BUSINESS RESCUE STATUS REPORT TO AFFECTED PERSONS AND CIPC IN TERMS OF SECTION 132 (3)(a) AND (b) OF THE COMPANIES ACT, 71 OF 2008 FILED BY THE JOINT BUSINESS RESCUE PRACTITIONERS, THOMAS H SAMONS AND THAKHANI R MAKHUVHA ("THE BRPs")

FOR THE PERIOD ENDED 31 AUGUST 2026

1. BACKGROUND TO THE BUSINESS RESCUE PROCEEDINGS

1.1 The Companies Act 71 of 2008, as amended ("the Act"), and more specifically section 132(3) thereof, provides that where a company's business rescue proceedings have not ended within three months after the start of those proceedings, the practitioner must prepare a report on the progress of the business rescue proceedings and update it at the end of every subsequent month until the end of those proceedings. The report must be delivered to all affected persons.

1.2. The Companies commenced business rescue proceedings on 07 November 2019. On 14 November 2019, Jacques du Toit was appointed as the Business Rescue Practitioner of the Companies. First meetings of employees and creditors were held on 27 November 2019 and on 28 November 2019, respectively. The Business Rescue Plans for the Companies were filed on 31 March 2020 but not put to a vote. Subsequently, special creditors meeting was held on 10 January 2023, and a Claim Registration Site went live on 1 February 2023. The 2nd Creditors meeting was held on 31 March 2023 in which date the Business Rescue Plan was adopted.

1.3. In March 2025, du Toit was terminated as Business Rescue Practitioner of the Companies and on 08 April 2025, Lebogang Mpakati was appointed as BRP

and she subsequently resigned in February 2026. On 4 March 2026, Thomas H Samons and Thakhani R Makhuvha were appointed as Business Rescue Practitioners of the companies.

2. PRIVISIONAL LIQUIDATION AND STATUS OF OTHER LITIGATIONS

2.1. The status of litigious matters remains in the main unchanged as previously reported for month of July 2026.

2.2. The companies were place under provisional liquidation under case numbers 3201/2023 and 3202/2023 in the Free State Division of the High Court, Bloemfontein ("**the Liquidation Application**").

2.3. This followed the applications brought for the liquidation of the Companies, which resulted in the conversion of the business rescue proceedings into liquidation proceedings in terms of section 132(2)(a)(ii) of the Companies Act 71 of 2008 ("**the Act**").

2.4. The Court further issued a rule nisi calling upon interested parties to show cause on **18 June 2026 at 09h30** why final orders of liquidation should not be granted against the Companies.

2.5. The matter was postponed to **03 September 2026** and on this day, it was further extended to **26 November 2026.** Notwithstanding that this Status Report pertains to the month of August 2026, the BRPs find it prudent to keep affected persons up to date with the outcome of the 03 September 2026. Accordingly, the matter is elaborated in paragraph 3 below.

3. Strauss & Another // Zephan Properties (Pty) Ltd (in business rescue) – Case Nos.: 3201/2023 & 3202/2023 (Bloemfontein High Court) ("the Liquidation Application")

3.1. This matter concerns a consolidated application brought for the liquidation of the Companies. The application was argued before the Honourable Madam Justice Reinders in the Bloemfontein High Court on 27 and 28 November 2025, at which time the Court heard argument from the parties.

3.2. On 7 May 2026, judgment was delivered in the matter. In terms thereof, the Honourable Court:

3.2.1. granted leave to the applicants to proceed with the applications in terms of section 133(1)(b) of the Companies Act;

3.2.2. converted the business rescue proceedings of the Companies into liquidation proceedings in terms of section 132(2)(a)(ii) of the Companies Act; and

3.2.3. placed both Zephan and Orthotouch under provisional liquidation in the hands of the Master of the High Court.

3.3. The Court further issued a rule nisi calling upon all interested parties to show cause on 18 June 2026 why final orders of liquidation should not be granted against the Companies.

3.4. On 2 June 2026, the applicants instituted an interlocutory application seeking an order clarifying, alternatively supplementing or varying the costs component of the provisional liquidation orders granted by the Honourable Madam Justice Reinders on 7 May 2026. The application principally concerns the incidence and recoverability of certain costs arising from the liquidation proceedings and was enrolled to be heard on an urgent basis together with the return date on 18 June 2026 (hereinafter referred to as "**the costs application**").

3.5. On 18 June 2026, the return date came before the Honourable Acting Judge Els. Prior to the hearing, the parties reached agreement regarding the future conduct of the proceedings and jointly presented a draft order regulating the further conduct of the matter.

3.6. The Honourable Court substantially confirmed the terms of the agreed draft order. In terms thereof:

3.6.1. the liquidation applications, together with the applicants' interlocutory costs application, were postponed to the opposed motion court roll on **3 September 2026**;

3.6.2. the rule nisi in respect of the provisional liquidation orders was extended to 3 September 2026;

3.6.3. the applicants were directed to deliver their replying affidavit in the liquidation applications on or before **6 July 2026**;

3.6.4. any party intending to oppose the interlocutory costs application was directed to deliver its answering affidavit on or before **31 July 2026**;

3.6.5. the applicants were directed to deliver any replying affidavit in the costs application on or before **6 August 2026**;

3.6.6. the parties were directed thereafter to file their heads of argument in accordance with the applicable practice directives; and

3.6.7. the costs relating to the postponement and the procedural timetable were reserved for later determination.

3.7. Save for the extension of the deadline for the delivery of any answering affidavit in the costs application from 15 July 2026 to 31 July 2026, the Honourable Court confirmed the timetable agreed between the parties.

3.8. A copy of the order granted on 18 June 2026 is still awaited and will be circulated to all affected parties once received.

3.9. The hearing would proceed physically on **03 September 2026**, in Bloemfontein, however, upon arrival at Court on the day the Honourable Judge requested that the parties' legal representatives meet with her in chambers. There was never a formal hearing inside the Court

3.10. Following the deliberations which were not on the merit of the case but on administrative aspects thereof, the parties were, in effect informed in Chambers that the matter would not proceed and would instead be extended to a later date, being the **26th** of **November 2026**.

3.11. The BRPs would therefore like to appraise all affected persons that the existing provisional orders have not been made final, and that none of the applicants' arguments has been upheld, and our opposition remains intact for determination on the extended return date in November.

3.12. The liquidation applications accordingly remain pending, with the return date having been extended to 26 November 2026, at which time the applications will be heard on the opposed motion roll.

3.13. The **litigation status** in respect of the following matters **remains unchanged** as per our last April 2026 Status Report, save for the PLG Affected Creditors Group & Others as delineated in 3.19. below:

3.14. Waxham & Others // Saffy N.O. & Others – Case No.: 9272/2020 (Pretoria High Court) – ("**the Waxham Application**");

3.15. Smith & Others // Georgiou & Others – Case No.: 93417/2019 (Pretoria High Court) – ("**the Smith Application**");

3.16. Geldenhuys & Others // Orthotouch & Others – Case No.: 42334/2014 (Johannesburg High Court) – ("**the Geldenhuys Application**");

3.17. Black // Du Toit N.O. & Others – Case No.: 22347/2022 (Pretoria High Court) – ("**the Black Application**");

3.18. Prinia Asset Management & Another // Zephan & Another – Case No.: 114798/2023 (Johannesburg High Court) – ("**the Prinia Action**").

3.19. The PLG Affected Creditors Group & Others // Zephan Properties (Pty) Ltd (in business rescue) & Others – Case No.: 44345/2023 (Pretoria High Court) – ("**the PLG Application**"); and

3.19.1. On 6 July 2026, the applicants in the PLG Application instituted an urgent application seeking, principally, the transfer of the PLG Application from the Gauteng Division of the High Court, Pretoria, to the Free State Division of the High Court, Bloemfontein, with a view to thereafter seeking its consolidation with the Liquidation Application.

3.19.2. The transfer application was initially brought as a matter of urgency. The applicants subsequently abandoned the issue of urgency and, on 14 July 2026, removed the application from the urgent court roll.

3.19.3. Following the removal of the matter from the urgent court roll, the applicants afforded the respondents a period of 15 court days, calculated from 16 July 2026, within which to deliver their answering affidavits in opposition to the transfer application.

3.19.4. The transfer application accordingly remains pending. The BRPs intend to oppose the relief sought and will continue to monitor the proceedings and keep affected persons apprised of all material developments.

4. CONCLUSION

4.1. It remains our view that the provisional liquidation orders are the only remaining impediment to the continued implementation of the adopted Business Rescue Plan, and we await the outcome of the extended court proceedings on 26 November 2026. We remain committed to the lawful implementation of the adopted Business Rescue Plan and to advancing the interests of affected persons in accordance with the objectives contemplated in Chapter 6 of the Companies Act.

4.2. We are mindful of our statutory obligations in terms of Chapter 6 of the Act and will continue to keep affected persons informed of all material developments as matters progress.

4.4. The extended court proceedings to 26 November 2026, will however, have an effect on the estimated implementation date of the Business Rescue Plan which we now realistically look at 31 January 2026 (previously 31 October 2026).

4.5. Our view is that the estimated completion and successful implementation of the Business Rescue Plan remain at between 75% and 100%.

We shall keep the affected parties informed of all material developments.

Thomas H Samons
Senior Business Rescue Practitioner

Thakhani R Makhuvha
Senior Business Rescue Practitioner