

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 IN TERMS OF SECTIONS 132 AND 141 OF THE COMPANIES ACT, 71 OF 2008 READ WITH REGULATION 125 OF THE COMPANIES ACT
11 MARCH 2026**

TO ALL AFFECTED PERSONS

1. APPOINTMENT OF THE JOINT BUSINESS RESCUE PRACTITIONERS

- 1.1. Due to circumstances outside of the Companies' control, the erstwhile business rescue practitioner, Ms. Lebogang Mpakati, has tendered her resignation from her position as practitioner of the Companies.
- 1.2. Following her resignation, we, Thomas Hendrick Samons and Thakhani Reuben Makhuvha, were duly appointed as the joint business rescue practitioners of the Companies on 4 March 2026, which appointment has been confirmed by the Companies and Intellectual Property Commission.
- 1.3. A notice of our appointment has already been circulated to affected persons in accordance with section 129 of the Companies Act 71 of 2008 (“the Act”). This circular is accordingly issued in order to provide affected persons with a consolidated status report regarding the current position of the Companies and the relevant litigation.
- 1.4. We confirm that a comprehensive handover has taken place following our appointment. Pursuant thereto, we are presently in possession of the Companies' relevant records and documentation and have familiarised ourselves with the status of the business rescue proceedings, including the various litigation processes in and involving the Companies. We are

accordingly fully apprised of the current position of the Companies and the procedural posture of the business rescue process.

- 1.5. In light of the above, we wish to assure affected persons that the transition between practitioners has been effected in an orderly manner and that the business rescue proceedings will proceed without unnecessary delay.
- 1.6. Having considered the available records and the present circumstances of the Companies, we confirm that we are proceeding with the lawful implementation of the adopted Business Rescue Plan, which remains extant and binding on all affected persons. As previously recorded, the Plan contemplates a structured mechanism for the distribution to creditors and the orderly realisation of value within the Companies. The funding required to give effect to the distribution envisaged under the Plan has been secured and remains available for that purpose.
- 1.7. Given the time that has elapsed since the adoption of the Plan, certain administrative and procedural steps are presently being attended to in order to facilitate its orderly and lawful implementation.
- 1.8. In this regard, the BRPs are presently engaging with the various operational and administrative aspects of the Companies' affairs, including the status of the Companies' accounting records and financial information.
- 1.9. These matters are being addressed as part of the ongoing administration of the Companies under supervision, and further updates will be communicated to affected persons in due course as the process progresses.
- 1.10. We thank affected persons for their continued patience and cooperation. The BRPs remain mindful of their statutory and fiduciary obligations under Chapter 6 of the Act, and remain committed to ensuring that the interests and rights of affected persons are addressed in a balanced and equitable manner, consistent with the objectives of the Act.

2. STATUS OF LITIGATION

- 2.1. In order to keep affected persons fully apprised of the current status of the litigation in and involving the Companies, we record below a summary of the relevant proceedings. In this regard, and in accordance with sections 145 and 146 of the Companies Act, affected persons are entitled to reasonable notice of, and participation in, legal proceedings involving the Companies. Should any

affected person wish to access the papers in any of the matters listed below, such documentation can be made available upon request.

2.2. *Waxham & Others // Saffy N.O. & Others – Case No.: 9272/2020 (Pretoria High Court) – (“the Waxham Application”):*

2.2.1. This application concerns the enforcement of the buy-back agreements in respect of Highveld Syndication 21 and 22. As previously advised by the erstwhile business rescue practitioner, the matter was set down for hearing over a period of three days, from 20 to 22 October 2025, before the Honourable Acting Justice van Niekerk.

2.2.2. When the matter was called, the Court observed that, in light of the adoption of the Business Rescue Plan, the relief sought against the second respondent (being the same entity cited as the second respondent in that application) could not properly proceed at that stage. The Court accordingly directed the parties to confer with a view to agreeing upon a practical way forward.

2.2.3. Following consultations between the parties, it was agreed that the Waxham Application would be postponed sine die (i.e., without a fixed return date), pending the final determination of (i) the Liquidation Application (including any appeals); and (ii) the PLG Application (including any appeals).

2.3. *Smith & Others // Georgiou & Others – Case No.: 93417/2019 (Pretoria High Court) – (“the Smith Application”):*

2.3.1. This matter relates to an application in which the applicants seek leave to institute a derivative action and to certify eight proposed investor class actions involving more than 18,000 investors. In essence, the relief sought is directed at recovering alleged losses either from Orthotouch under the Business Rescue Plan, alternatively from certain directors in their personal capacities for losses allegedly suffered by investors.

2.3.2. On 25 April 2025, the Honourable Judge Janse van Nieuwenhuizen delivered judgment in the matter. In terms of that judgment, it was directed that the further hearing of the application be held in abeyance pending the determination of the Geldenhuys Application (which is addressed immediately below).

- 2.3.3. Subsequently, on 19 May 2025, the applicants' attorneys of record filed an application for leave to appeal, which was limited in scope and directed only at the costs order granted against the applicants. That application was heard on 13 August 2025, at which time the Honourable Judge Janse van Nieuwenhuizen dismissed the application for leave to appeal.
- 2.3.4. It has since come to the attention of the business rescue practitioners that the applicants sought to pursue the matter further by lodging an application for leave to appeal to the Supreme Court of Appeal. At present, it is unclear whether such petition has been heard.
- 2.3.5. Given that the future course of this litigation remains dependent on the outcome of the Geldenhuys application, no definitive position is presently adopted in relation to this matter. No further developments have been reported at this stage.

2.4. *Geldenhuys & Others // Orthotouch & Others – Case No.: 42334/2014 (Johannesburg High Court) – (“the Geldenhuys Application”):*

- 2.4.1. This matter concerns an application to set aside the order granted by the Honourable Judge Moshidi on 26 November 2014, in terms of which a Scheme of Arrangement was sanctioned under section 155(7) and (9) of the Companies Act.
- 2.4.2. The application was dismissed, with costs, by the Honourable Judge Mali on 24 July 2025.
- 2.4.3. Thereafter, on 13 August 2025, the applicants lodged an application for leave to appeal against that judgment. The application for leave to appeal was heard on 23 October 2025 and, on 7 November 2025, the Honourable Judge Mali granted leave to appeal.
- 2.4.4. The matter must accordingly now be heard as a full bench appeal in the Johannesburg High Court. Although the applicants have taken steps to progress the appeal, no hearing date has yet been allocated and no directives have yet been issued in relation to the hearing thereof.
- 2.4.5. No further material developments have been reported in respect of this matter at this stage.

2.5. *Black // Du Toit N.O. & Others – Case No.: 22347/2022 (Pretoria High Court) – (“the Black Application”):*

2.5.1. The BRPs are aware of the above matter, which concerns proceedings instituted by Mr Robert Jan Black against, inter alia, Mr Jacques Du Toit, Mr Derek Pedoe Cohen N.O., the Companies, and Johan Victor Attorneys. Broadly stated, the relief sought relates to the control and administration of certain trust funds held by Johan Victor Attorneys, together with ancillary relief requiring Mr Du Toit to account to Mr Cohen in his capacity as the court-appointed receiver under the 2014 Scheme of Arrangement, as well as certain punitive costs orders.

2.5.2. At present, the matter remains at an interlocutory stage and is not yet ripe for hearing. On 20 October 2023, the applicant filed an application seeking to amend his notice of motion, which amendment was opposed. Although the applicant has delivered heads of argument in relation to that interlocutory issue, the respondents have not yet filed their corresponding heads, and the matter therefore remains pending before the Court.

2.5.3. At this stage, the BRPs do not express any definitive view on the merits of the application. The matter is presently being monitored, and further developments will be considered should the proceedings progress or become ripe for determination.

2.6. *The PLG Affected Creditors Group & Others // Zephon Properties (Pty) Ltd (in business rescue) & Others – Case No.: 44345/2023 (Pretoria High Court) – (“the PLG Application”):*

2.6.1. As previously reported, the above application was instituted by the PLG Affected Creditors Group, together with the RT and IE Affected Creditors Groups, against Zephon, Orthotouch, and the erstwhile business rescue practitioner, Mr Jacques Du Toit, in which the applicants, inter alia, seek relief setting aside the adopted business rescue plan in respect of Zephon.

2.6.2. The BRPs are aware that the applicants filed their replying affidavit on 31 October 2025.

2.6.3. For present purposes, it is recorded that the matter has not yet been set down for hearing. No application for a hearing date has been made, and no heads of argument or practice notes have been filed.

2.6.4. The proceedings accordingly remain not yet ripe for hearing, and the BRPs will continue to monitor developments in the matter.

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

2.7.1. 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.

2.7.2. Following the hearing, the Honourable Judge reserved judgment. As at the date of this circular, no judgment has yet been delivered, and the parties remain in await of the Court’s determination of the application.

2.7.3. As and when judgement in this matter is delivered, affected persons will be informed of its outcome.

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

2.8.1. This matter relates to action proceedings instituted by Prinia Asset Management, in which the plaintiffs seek to recover an amount of approximately R1.5 billion from Zephan and Orthotouch. The claim arises from a loan agreement concluded in November 2019, which the plaintiffs allege was subsequently ratified by the erstwhile business rescue practitioner during 2020.

2.8.2. The pleadings in the action have closed, and the parties have exchanged discovery. The plaintiffs’ attorneys have indicated their intention to enrol the matter for trial, although no trial date has yet been allocated.

2.8.3. The BRPs are familiar with the record and the allegations advanced in the action and have considered the matter from a merits perspective. The Companies intend to continue opposing the proceedings, and

further updates will be communicated should the matter progress toward trial or should any other material developments arise.

Affected parties will be kept informed of all material developments.



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Senior Business Rescue Practitioner



Thakhani R Makhuvha
Senior Business Rescue Practitioner