Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

Our Reference: J. Du Toit/2018/Ortho/Zephan
Direct Line: **021-948 2224**
E-mail: info1@dtbbusinessrescue.co.za

Your Reference: Ortho/Zephan

Date: 29 February 2024

Business Rescue Status Report

ORTHOTOUCH (PTY) LIMITED ("the Company") REGISTRATION NUMBER 2010/004096/07

ZEPHAN PROPERTIES (PTY) LIMITED ("the Company") REGISTRATION NUMBER 2003/020174/07

In terms of Section 132(3) (a) and (b) (i) of the Companies Act No 71 of 2008 ("the Companies Act")

("February 2024 Status Report")

To Whom It May Concern,

The Companies Act 71 of 2008, as amended, 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.

BUSINESS RESCUE PROCEEDINGS:

1. Commencement of Business Rescue: 7 November 2019.
2. Appointment of Business Rescue Practitioner (BRP) – J du Toit: 14 November 2019.
3. First Meeting of Employees: 27 November 2019
4. First Meeting of Creditors: 28 November 2019
5. Business Rescue Plan filing date: 31 March 2020
6. Special creditors meeting: 10 January 2023
7. Claim Registration Site: Live on 1 February 2023
8. Registration for meeting closed on 21 March 2023
9. 2nd Creditors meeting: 31 March 2023
10. Business Rescue Plans Approved: 31 March 2023

Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

11. Creditor Claim Affidavit Submission extended to: 29 February 2024 (approximately 2316 claims have been received to date inclusive of the additional late submissions which has been received with a reason as to why submission is late) This date will be the final date and no further claims will be accepted after 29 February 2024.

BUSINESS PROGRESS

1. Continuance of the Business

a. I am still constantly engaging with the officers of Orthotouch and Zephan in ensuring the continuance of the business in the absence of Nic Georgiou.
b. The replacement director has been appointed and the records at CIPC has been modified accordingly.

2. Properties

a. We continue to have full control over the properties.
b. We have restructured the admin duties and functions. DTB has appointed an independent management company to oversee the remaining properties, and this has already shown an increase in monthly income. We continue to engage with them in regard to the running of the properties and the collection of rental income.
c. We have received an offer to purchase on the Goldwill Property (Weltevreden Park) with the purchaser looking to occupy a portion of the property. We are still exploring the best possible solution in regard to the sale of the Goldwill of the property being vacant.
d. List of Remaining Properties:
    i. John Williams Building – To be transferred to the Purchaser. This transaction was concluded, and funds were received prior to Business Rescue. We are currently following the money trail of the funds prior to the transfer of the property and will advise as soon as we have further information.
    ii. Banbury Crossing Building – cancelled sale agreement which was concluded prior to Business Rescue. An eviction order has been obtained. We are awaiting the eviction order to be served by the sheriff whereafter we will take control.
    iii. Wilpark Building – cancelled sale agreement which was concluded prior to Business Rescue. An eviction order is in process.
    iv. Midas Building – Receive monthly rental from tenants, funds used for the upkeep on the property as well as the payment of the municipal

Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

bill. Offer to purchase has been received and signed and we are in the process of finalising this transaction. A guarantee has been obtained and we are currently awaiting the clearance figures for ptn 6 whereafter payment will be attended to.

v. Goldwill Building – in the process of being transferred from Highveld Syndication to Zephan Properties Pty Ltd and a sale of a portion of the property is currently on the table which we are in the process of finalising. The previous electricity issue has now been sorted, and the credit on the account was allocated to the other two municipal property accounts.

3. Proposer Involvement

a. As per the approved Business Rescue Plan, the investor/creditor (once the Valid Claim has been proved) will receive 5 cents in the rand by means of a cash payment up and above any repayments received during the investment period.
b. The online portal whereby the investor/creditor is able to obtain information surrounding the submission of their claim can be accessed from the following link: https://orthotouch.creditorsinfo.org/
c. This is same online portal which was used for the voting process regarding the Amended Drafted Business Rescue Plan but has now been amended since the main activity at this stage is the submission and proof of claims.
d. Notifications have continuously been issued to all creditors with instructions on how to proceed, and reference is made to the link as stated above for further detailed information.
e. An agreement was concluded with the Proposer in regard to the terms and conditions of the payment to the investor/creditor.
f. Proposer involvement currently suspended pending the liquidation application and we are engaging in alternatives

4. Business Rescue Plan and Process

a. Since the declarator judgement has been received, a revised BR Plan was finalised, redrafted, and voted upon at the 2nd creditors meeting on 31 March 2023.
b. Such revised BR Plan was approved by the majority of the creditors (88.7% voted in favour of the Plan).

Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

c. A Notice of adoption was sent to all affected parties as well as placed on the website.
d. The repayment of the creditors' claims, once vetted and liquidation litigation has been finalised, will be done via a cash payment as an EFT to the creditor's bank account as proved with the claim documents. The share option is no longer applicable.

5. Auditing

a. As previously stated, we are permanently engaging with the auditor in finalising the financial statements. All Management accounts for Orthotouch are in the process of being completed, which will assist the auditors to complete the AFS for both Orthotouch and Zephan.
b. A new auditing firm has been appointed as the auditors for the companies Orthotouch and Zephan. We have handed over the duties and information from the previous auditors to the new auditors.
c. To complete the AFS there are many Intercompany loan accounts that must be reconciled and verified. We are in touch with the auditors (old and new) to finalise this process.
d. It is our intention to finalise the AFS to date as soon as possible.
e. We have subsequently received financial information from 2008 to date from the new auditor. We are in the process of reviewing the information and engaging with the auditor whereby the auditors are to reconcile the financial records against the bank accounts. The draft AFS received from the previous auditors appears to be incomplete and the new auditors will rectify accordingly.
f. The new auditors require a deposit to continue with the completion of the financials. We are investigating the options in obtaining PCF for the auditors to continue with the financials.
g. We are currently engaging with SARS on this matter however we need to finalise all financials to date before we can file the AFS for Orthotouch and Zephan.
h. For both Orthotouch and Zephan to be updated, the shareholders and the connection to the shareholders also need to be updated as a group to finalise the intercompany loans and group entities in conjunction with the Companies.

6. I continue, as always, to exercise my duties as Business Rescue Practitioner and remain in control of the businesses and assets of the Business Rescue Companies.

Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

MEDIA

The articles quote one Johan Stander ('Stander") who purportedly made statements on behalf of the management of the Highveld Syndication Action Group ("HSAG").

In the 26 February 2024, article Stander is quoted by making reference to the so called DECA case which is due to be heard in the Pretoria High Court on 13 to 17 May 2024.

HS Investors are reminded that the so called" DECA case" or "Smith Application" relates to an application that an investor and financial advisor, one Henry Arden Smith ("Smith"), and 11 others, launched on 13 December 2019, for leave in terms of section 164 of the Companies Act 71 of 2008 ("the Companies Act") to enable them to institute action on behalf of the companies against various parties.

The parties against whom action sought to be instituted are, inter alia, The late Nic Georgiou, Michael and George Georgiou (as the first to third respondents), the BRP of the companies in his personal capacity (the fourth respondent), the directors of Orthotouch in their personal capacities (as the fifth to the seventh respondents) and Derek Cohen in his personal capacity (the former Receiver for Creditors in relation to the Orthotouch scheme of arrangement) as fourteenth respondent. No relief is sought against the BRP for Zephan and Orthotouch in his personal capacity.

This article is misleading and fundamentally inaccurate. It falsely implies that these 'derivative actions' have already begun when, in truth, they have not commenced. The application before Court (the so-called "DECA case" or "Smith Application") which is enrolled for hearing, is the application in terms of section 164 of the Companies Act. In this application, the applicants are seeking the court's permission to initiate legal proceedings. It's imperative to emphasize that the resolution of these proceedings has been significantly hindered due to the actions of the applicants involved in this case. This delay has been addressed in previous status reports. Any insinuation within the article that these actions have already started not only misrepresents the truth but also undermines the integrity of the legal process.
The 26 February 2024 article contains a glaring falsehood attributed to Stander, wherein he erroneously states that the application was exclusively directed against the BRP. This assertion is not only misleading but patently false. By suggesting that the "DECA case" is solely opposed by the BRP, the article creates a grossly inaccurate impression. In reality, the case is being opposed by a significant number of the twenty-two respondents. This deliberate and flagrant distortion serves to deceive readers and misrepresent the true nature of the legal proceedings.

Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

An increasing number of HS Investors are enquiring from the BRP as to whether it is known as to what the extent of the legal fees that HSAG's attorneys, Theron, and Partners, have collected from HS Investors over the major portion of the past decade. Stander was questioned about this in a radio interview on RSG during November 2023 and failed to answer the question when asked about this by the journalist.

The articles furthermore create the impression that the affairs of the late Nic Georgiou and more particularly his financial affairs, will be the key to revealing the "facts" in relation to what happened with the "almost R4,6 billion invested". How the journalist and Stander draw the nexus between the Late Nic Georgiou's personal affairs and those entities that played a role in soliciting investments from the public and that received the proceeds from such investments is not clear. There has most certainly never been any suggestion that HS Investors' payments were ever received by Nic Georgiou personally and into a banking account that he operated.

What Stander failed to disclose to the journalist, or what the journalist omitted to mention, is the fact that a significant portion of the R4.6 billion mentioned consists of exorbitant commissions paid to financial advisors and brokers like Stander. This egregious oversight warrants immediate attention and should be thoroughly investigated as a separate matter.

LITIGATION

1. As advised in previous reports, certain attorneys persist with litigation in blatant disregard of the provisions of Chapter 6 of the Companies Act, and the moratorium against legal action as regulated by Section 133 of the Companies Act. I will continue to vigorously oppose and defend any legal action duly represented by the Companies' legal team where the rights of the creditors will be detrimentally affected.
2. Please see the below link to the various litigation matters which are currently ongoing:

   Letter dated 12 March 2021 in regard to the ongoing litigation matters:
   https://1drv.ms/b/s!Aq7VguEjA8oSg4RZ_jnAvfHWar5oFA?e=BILJgD

3. Please see the link to the **SECTION 145 NOTICE** in regard to an application which was brought by three 'affected creditors groups':
   https://1drv.ms/b/s!Aq7VguEjA8oSh7ktzgX93y0WYF-mng?e=JMqXir

4. Please see the link to the updated **SECTION 145 NOTICE** dated 12 December 2023 for your information:
   https://1drv.ms/b/s!Aq7VguEjA8oSh9pZHztrDf-TsOGFgg?e=inDyle

Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

5. **The "Black Application"**

   a. This application is in regard to a group of creditors looking to attach funds held by the receiver in the previous Scheme of Arrangement.
   b. Such funds are currently under my control in an investment trust account which is held by attorneys in the amount of R 1.2 million.
   c. We are opposing such application as I am of the opinion that the funds belong to ALL creditors and not only a small portion of the creditors.

   d. On 14 November 2023, the Applicant brought an application to amend the Notice of Motion. A copy of the Notice of Motion can be found in the Dropbox link below:
   https://www.dropbox.com/scl/fo/awaqysrcp02s0g5uqdpzg/h?rlkey=s4ctlnw0azph99kcd19gsf2eq&dl=0

   e. On advice of counsel, we believe that we need to oppose the proposed amendment, on the grounds set out in our Notice of Objections (link provided below).

   https://www.dropbox.com/scl/fi/2j7r92bdu7nl042gc6vkw/100.23-11-02.OBJECTIONS.pdf?rlkey=3bqgrp44au45j0q8weka1islp&dl=0
   f. On 30 November 2023, we delivered a Notice of Intention to Oppose the application to amend the notice of motion and will deliver our Answering Affidavit early in 2024.
   .

6. **The "STRAUSS & ANOTHER" Application**

   a. In the process of finalising and filing papers.

7. The Litigation status report, in terms of the Companies Act, pertaining to all litigation matters has been published in terms of the Companies Act and is available inter *alia via* the Orthotouch *website.
   * WWW.ORTHOTOUCH.CO.ZA

Du Toit Business
RESCUE PRACTICE

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

ORTHOTOUCH AND ZEPHAN CREDITORS CLAIMS:

Approximately 2 316 claims (inclusive of the late claims) have already been received.

All creditors were to submit their creditor claim affidavit and supporting documents by 31 July 2023. The instructions are shown at https://orthotouch.creditorsinfo.org/of/ortho/LoadClaims/ and claim forms to be completed can also be obtained at this site. Please note that the claims were to be submitted by EMAIL method as explained on the above website.

After 31 July 2023, creditors are to submit their claims to info@dtbbusinessrescue.co.za together with a strong motivation as to why the claim is late for consideration by the BRP. We have entertained late claims with motivation to date but no claim will be accepted after 29 February 2024.

After the approval of the business rescue plan on 31 March 2023, extended time was given to submit claims to ensure that no investor is excluded from the system and to provide the creditors with sufficient time to submit their claim.

It is to be noted that if a creditor does not submit their claim as per the approved Business Rescue Plan, their claim in the company will fall away and they will receive no payment. It is, therefore, urged that ALL creditors (even those who are in support of the Class Action) are to submit their claim accordingly.

We are in the process of assessing and vetting all claims in compliance with the BR Plan. Creditors will be advised of the outcome and will be informed accordingly. We are in the process of collating claims and obtaining additional information, if required. All creditors shall receive notice in due course in regard to whether their claim was accepted or rejected. Reasons will be provided for the rejection of claims to afford the creditor the opportunity to dispute or to comply to requirements.

However, payment in terms of the approved Business Rescue Plan will be delayed until finality regarding the Eichstad and Theron attorney applications against the Business Rescue Process is reached in court.

70 CARMINE DRIVE
BURGUNDY ESTATE
7441
TEL: 021 948 2224
info@dtbbusinessrescue.co.za
www.dtbbusinessrescue.co.za

Yours faithfully



Jacques Du Toit
Director & Senior Business Rescue Practitioner
DTB Business Rescue
B.Proc, Dip. Tax, Attorney, Notary, Conveyancer

DIRECTOR:	DIRECTOR:	PROFESSIONAL ASSISTANT:	FINANCIAL CONSULTANT:
JACQUES DU TOIT	DEAN DU TOIT	TAMARIN CRONJE	KOBUS CLOETE
[SENIOR BUSINESS RESCUE PRACTITIONER, B.PROC, DIP. TAX, ATTORNEY, NOTARY, CONVEYANCER]	JUNIOR BUSINESS RESCUE PRACTITIONER (SARIPA&CIPC), ADV. CERT. IN BUSINESS RESCUE PRACTICE (UNISA), CERT. IN SALES AND MARKETING (IMM), BSC. HONS IN MEDICAL VIROLOGY (UP), BSC IN MOLECULAR BIOLOGY & BIOTECH. (SU)	[BCOM BUS MAN & STATS. (UNISA), ADV. CERT. IN BUSINESS RESCUE PRACTICE (UNISA), CERT. IN VALUE-ADDED TAX (UNISA)]	[BCOM HONS, ADV. CERT. IN BUSINESS RESCUE PRACTICE (UNISA)]

DU TOIT BUSINESS RESCUE (PTY) LTD| REG NR: 2015/047157/07| VAT NR: 4190290835