

COMMUNICATION TO ALL INVESTORS

12 October 2012

Dear Sir / Madam

**HIGHVELD SYNDICATION 15 LIMITED: REG NUMBER : 2003/031064/06
HIGHVELD SYNDICATION 16 LIMITED: REG NUMBER : 2003/031129/06
HIGHVELD SYNDICATION 17 LIMITED: REG NUMBER : 2003/025913/06
HIGHVELD SYNDICATION 18 LIMITED: REG NUMBER : 2003/030778/06
HIGHVELD SYNDICATION 19 LIMITED : REG NUMBER : 2003/030144/06
HIGHVELD SYNDICATION 20 LIMITED: REG NUMBER : 2005/029425/06
HIGHVELD SYNDICATION 21 LIMITED: REG NUMBER : 2005/027601/06
HIGHVELD SYNDICATION 22 LIMITED: REG NUMBER : 2005/027390/06**

1. We refer to our previous communications in this regard and more particularly our communication dated 13th August 2012.
2. Numerous queries have been raised with regard to the progress insofar as the implementation of the business rescue plan adopted by all affected persons in terms of the statutory provisions of Section 150 of the Companies Act 71 of 2008 ("the Act").
3. At the outset kindly be advised that the business rescue process in fact and in law relates to the period from the appointment of the business rescue practitioner during September 2011 until the adoption of the business rescue plan on 14th December 2011.
4. Subsequent to the adoption of the plan the business rescue practitioner was appointed as a director to Orthotouch Limited ("Orthotouch") with a view to overseeing the process and acting in the interests of investors. Upon being appointed as director of Orthotouch certain fiduciary duties towards the interests of Orthotouch i.e. its shareholders and other stakeholders also had to be taken into consideration. As a consequence it has not always been possible to act in a manner which enabled the writer to divulge confidential information which may have been presented to him from time to time. This especially applies in situations where in the interests of Orthotouch are being negotiated under confidentiality with other parties including institutions.
5. This does not in any manner suggest that there was a conflict of interests between the position of the writer as the business rescue practitioner overseeing the implementation of the plan and the interests of the shareholders. The interests of both parties are in fact 100% inextricably aligned.
6. For purposes of clarification, queries have been raised relating to the business rescue process and the question of the reporting thereon by the writer as business rescue practitioner to affected persons. The position is that business rescue proceedings in terms of the Act end when a business rescue plan has been adopted and a notice of substantial implementation is subsequently filed.

The Act furthermore requires of a business rescue practitioner to report on a monthly basis to the Commission and all affected persons on the business rescue process in the absence of an Order of Court in terms of which he was absolved from doing so. Upon advice provided by the writer the provisions of the Act indicate that the reporting that needs to be done to affected persons on a monthly basis relate to circumstances under which a business rescue plan had not as yet been filed. This is obviously not the position in this case.

7. A business rescue plan was timeously published within three months and was adopted by all affected persons in terms of the Act as is evident from the voting results. Under these circumstances the notice of substantial implementation is still pending for good reasons as the writer is presently waiting for the payment of the interest to investors in Highveld Syndication 22 to be finalised whereafter it will be considered whether a Notice of Substantial Implementation should be filed with the Commission.
8. The provisions of Section 158 of the Act which provides that the spirit and intention of the legislator needs to be promoted at all times needs to be taken into cognisance. Obviously it would be both impractical and foolish to report to investors monthly at an exorbitant cost of communication under circumstances where there was already a business rescue plan adopted.
9. Insofar as the issues relating to the late payment of interest are concerned the company and its officers remain committed to ensure that the affairs of this company are administered in such a manner as will very soon entail regular payments to investors. It has, for a number of reasons, been difficult for the company to survive under circumstances where funding requirements from financial institutions in order to enable a company of this size to operate fully are not forthcoming. The funding issues were discussed in detail in our previous communication of 13 August 2012.
10. The duly appointed auditors are presently conducting an audit of Orthotouch and issues such as the funding of Orthotouch by Zephan Properties (Pty) Limited since the adoption of the plan, the valuations of properties and all the financial affairs of Orthotouch are presently being audited.
11. There are at present, discussions taking place with a number of significant role-players with a view to implementing a process which will enhance and improve the position of the investors and allay all their risks and fears.
12. Kindly bear in mind that the business rescue provisions, which were promulgated during the early parts of 2011, enabled the writer as business rescue practitioner to stave off deliberate attempts to have the companies liquidated which would have been severely detrimental to investors and which would have led to tremendous hardship. Investors would have been at the mercy of a liquidation process which would have been time consuming and very costly. This was fully explained and canvassed in the business rescue plan to which investors are once again referred.

13. We furthermore request investors to remain patient and to assist us in allowing this process to unfold in order to procure a proper solution for all investors.
14. We are aware that communications being sent to investors by various parties contain negative information which persistently is disseminated amongst certain role players with a view to derailing the process and to detract from the aim of the business rescue process.
15. We call on investors to kindly be circumspect in dealing with such negative communications as this can only lead to a final collapse of the process to the detriment of the truly affected parties, the investors, and would benefit only the few who wish to pursue their own interests.

Yours faithfully

J F KLOPPER
Business Rescue Practitioner

SENT ELECTRONICALLY AND UNSIGNED