

30 OCTOBER 2014

COMMUNICATION TO HS INVESTORS

ORTHOTOUCH LIMITED / HS INVESTORS

1. We refer to correspondence being addressed to us by HS investors pursuant to advice provided to them by a group of investors/advisers of which the party who would appear to be driving the process is based in Bloemfontein (“the standard letter”).
2. Kindly note that the documentation sent to you pursuant to the provisions of Section 155 of the Companies Act, 71 of 2008 (“The Act”) contain all the statutory information to be provided to creditors in terms of Section 155 of the Act (“the document”). The link to the webpage where the document may be viewed is, for good order, again provided to you in paragraph 13 below.
3. The majority of the questions being posed in the standard letter are comprehensively dealt with in the document.
4. We are not prepared to be cross-examined by any party on information already provided to such parties repeatedly and our failure to deal with any of the allegations contained in the standard letter must not be construed as an admission of the correctness thereof. The majority of the answers to the so-called “questions” are also known to the parties who control the process as they have already, on numerous occasions, discussed the matter with writer and which issues were also addressed at a meeting held at the writer’s offices during August but, because of what would appear to be “spitefulness”, such parties are not prepared to share the information with you and they would appear to be intent on making the process administratively as difficult as possible.

5. Under circumstances where the financial advisers/brokers request you in a reckless manner to act in the manner that you are presently acting we take note thereof. They may however cause you more damage than good by doing so.
6. This serves as a friendly reminder that you must carefully consider the manner in which you deal with this matter as the consequences of a failure of the process may lead to a liquidation, which is precisely what the above-mentioned parties may want to achieve.
7. The reason why we say so is that we are aware that certain groups, described in the document as “detractors”, are aiming to, through a group of investors, bring about the rejection of the scheme of arrangement to enable them to take control of the process by way of a liquidation.
8. It is known to us that it was even mentioned to certain parties that certain of the role-players have already had discussions with insolvency practitioners and that they have been even promised to lay their hands on some of Orthotouch’s assets.
9. The record will, in the fullness of time, indicate precisely who formed part of this process should it lead to a liquidation and such record will speak for itself.
10. Those parties who form part of the process do so at their own risk. Individuals assisting in the derailing the process may very well be held liable by others.
11. You are therefore urged to be very cautious that you are not being used as a “pawn” in this process to aid an agenda being driven by certain parties.
12. We trust that you will consider the contents of this communication carefully.
13. As was mentioned in paragraph 2 above a new document was sent out by Orthotouch in terms of the provisions of Section 155 of the Companies Act last Monday which may be found at the following link:

<http://www.corprecover.co.za/pdf/FILES/ORHOTOUCH%20SCHEME%20OF%20ARRANGEMENT%20-%2020%20OCTOBER%202014.pdf>

14. We attach a pro forma calculation prepared by a financial person based on the three alternatives provided for in the document.

15. Under the circumstances where **12 November 2014** is the date on which HS investors must vote on the scheme of arrangement we propose that you obtain advice as we are not advisers and in a position to make any recommendations to HS investors.

Kind regards

JF KLOPPER
BUSINESS RESCUE PRACTITIONER OF HS 15 -22 LIMITED
(Sent electronically and therefore not signed)