

**AFFIDAVIT**

**In terms of Section 129 (3)(a) of the Companies Act, Act 11 of 2008 (herein**

**after referred to as the "ACT")**

**with regards to**

**HIGHVELD SYNDICATION 17 Ltd**

**with registration number 2003/025913/06**

**(herein after referred to as the "SWORN STATEMENT")**

I the undersigned

**WILLEM MORKEL STEYN**

Do hereby declare under oath that:

1. I am a director of HIGHVELD SYNDICATION 15 LTD (herein after referred to as the "COMPANY"), public company duly registered and incorporated in terms of the Companies Act, Act 61 of 1973, as amended (herein after referred to as the "OLD ACT") with registration number 2003/031064/06 with its registered office at 875 Schoeman Street, Arcadia, PRETORIA.
2. The facts contained in this affidavit is to the best of my knowledge and belief, unless indicated to the contrary, both true and correct.



3. This sworn statement in terms of the Act sets out the facts relevant to the grounds on which the board resolution, dated 5 September 2011, placing the COMPANY under business rescue was founded.
  
4. The following facts were taken into consideration in resolving to place the COMPANY under business rescue:
  - a. This COMPANY is one of 8 syndication companies which was registered in terms of the PICVest Promotion.
  - b. The companies are Highveld Syndication Company Nrs 15, 16, 17, 18, 19, 20, 21, and 22.
  - c. The companies were incorporated with the object of owning tenatable buildings that could be let to tenants. The rental income would be utilized to pay interest to shareholders who were also creditors of the companies. In terms of prospectuses of the relevant companies, investments were invited that would consist of R1 000 units of which R1,00 would become a share in the share capital of the company and R999,00 would be lent to the company.
  - d. The promotion of the different companies was done by a concern known as PICVest.
  - e. A company known as Bosman & Visser was to obtain ownership of the property that was destined to be owned by the Syndication



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company and was to transfer ownership of such property to the Syndication company.

- f. The income was distributed, monthly, to the investors by and administrative company PICVest Admin.
- g. In the case of Syndication companies 15, 16, 17 and 18 the various properties were transferred into the names of the of the companies and the income was distributed to the investors.
- h. In the case of Syndication companies 19, 20 ,21 and 22 Bosman & Visser was to obtain ownership of the properties from the Zelpi group of companies.
- i. The companies were properly syndicated and the investments were paid over to Bosman & Visser.
- j. There is a dispute between Bosman & Visser and the Zelpi group of companies whether the whole purchase price in respect of the four companies of R3,2 billion had been paid. The latter group maintains that there was a short payment of the order of R883 million.
- k. As far as companies 15, 16, 17 and 18 are concerned and due to the oversupply of retail space some of the buildings do not perform as they were originally expected to perform.
- l. When it was clear that litigation was unavoidable it was clear that in such a case liquidations would follow and it was also clear that

  
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investors would lose the major portion of their investments. In total there are about 80 different large building complexes. The losses due to forced sales, liquidation and litigation costs and the time during which investors would not have any income would convert to massive losses to investors.

m. A company Zephan Properties (Pty) Ltd which is part of the Zelpi group of companies then made the following offer to the eight companies:

- i. It would purchase all the buildings in the companies in the name of a Company Orthotouch Pty Ltd.
- ii. In addition it would transfer properties to the value of approximately R500 million to Orthotouch.
- iii. It would pay a rental of 6,5% per annum on the Syndicated values monthly to the investors of which .5% would be used for administration.
- iv. The income would escalate by .25% per annum and after 5 years all investors would be repaid their whole investment.
- v. To secure the position of the investors all the shares in Orthotouch would be ceded to the different syndication companies in proportion between the total value of




approximately R5 billion and the value contributed by that particular company.

- n. This offer was subject to the approval of the relevant State Department, the TRP and eventually the acceptance thereof by the investors.
  - o. The companies entered into such an agreement in principle with Zephan Properties Pty Ltd and there are negotiations between Zephan Properties and the TRP as to the format in which a submission is to be lodged. Those negotiations are still underway.
  - p. Some of the investors are not well informed and may take actions which can derail the whole agreement and which can lead to great loss to investors.
5. I am also of the opinion that, with the protection afforded in terms of the business rescue provisions of the Act, it is therefore imperative that this company be placed in a business rescue.

  
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WILLEM MORKEL STEYN

**THUS SIGNED AND SWORN TO BEFORE ME AT PRETORIA THIS 7<sup>th</sup> DAY OF SEPTEMBER 2011 THE DEPONENT WHO ACKNOWLEDGED, THAT HE KNOWS AND UNDERSTANDS THE CONTENTS OF THIS AFFIDAVIT, THE REGULATIONS CONTAINED AND GOVERNMENT NOTICE R1258 DATED THE 21<sup>ST</sup> JULY 1972 (AS AMENDED), HAVING BEEN COMPLIED WITH.**

  
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**COMMISSIONER OF OATHS (RSA)**  
Roland Nicolas Xavier Labutte  
Professional Accountant (SA)  
14 Silver Ave, Dersley Park, Springs

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**COMMISSIONER OF OATHS**