

HIGHVELD SYNDICATION NO 15 LIMITED: REGISTRATION NUMBER (2003/031064/06)  
HIGHVELD SYNDICATION NO. 16 LIMITED REGISTRATION NUMBER: (2003/031129/06)  
HIGHVELD SYNDICATION NO. 17 LIMITED, REGISTRATION NUMBER: (2003/025913/06)  
HIGHVELD SYNDICATION NO. 18 LIMITED, REGISTRATION NUMBER: (2003/030778/06)  
HIGHVELD SYNDICATION NO. 19 LIMITED, REGISTRATION NUMBER: (2003/030144/06)  
HIGHVELD SYNDICATION NO. 20 LIMITED, REGISTRATION NUMBER: (2005/029425/06)  
HIGHVELD SYNDICATION NO. 21 LIMITED, REGISTRATION NUMBER: (2005/027601/06)  
HIGHVELD SYNDICATION NO. 22 LIMITED, REGISTRATION NUMBER: (2005/027390/06)

(“the companies”)

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BUSINESS RESCUE STATUS REPORT IN TERMS OF SECTIONS 132 OF THE COMPANIES ACT, 71 OF 2008 (“THE ACT”) READ WITH REGULATION 125 OF THE ACT FILED BY THE BUSINESS RESCUE PRACTITIONER JF KLOPPER AND A NOTICE IN TERMS OF SECTIONS 145 AND 146 OF THE ACT.

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1. Previous status reports contain details of the business rescue proceedings of the companies that began in September 2011 and the appointment of Johannes Frederick (Hans) Klopper as Business Rescue Practitioner (“BRP” or “we”, “our” or “the author”) of the companies at that time. These reports can be found on the following link:

<https://restructuring.bdo.co.za/index.php/rescue/1440>

2. This status report is addressed to former affected persons (“HS Investors” or “you”) who invested in the companies prior to 2011 pursuant to articles by, a journalist named Marietjie Gericke that appeared on Netwerk24 on Monday 26 February 2024 “*Hofsake kom gou wat op wyle Griekse sakemagnaat Georgiou betrekking het*” and on Tuesday 27 February 2024 “*2 hofsake aangaande Nic Georgiou kan vir seuns gevolge inhou*” (“the articles”).
3. The articles quote one Johan Stander (“Stander”) who purportedly made statements on behalf of the management of the Highveld Syndication Action Group (“HSAG”).

4. 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.
5. 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 a previous status report. 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.
6. 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.

7. 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.
8. 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.
9. 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.
10. 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.

JF KLOPPER

BUSINESS RESCUE PRACTITIONER

DATE: 29 February 2024