

LETTER FROM ORTHOTOUCH 17 JANUARY 2017

Orthotouch recently emailed a letter to investors in the Highveld Syndication Companies 15-22, which investors include the members of the HSAG. This message serves as a quick and short reply to the Orthotouch letter.

Orthotouch refers to “commentary in the printed and electronic media” regarding the HS Companies which are allegedly "false and misleading". We are aware that there are currently certain persons and entities (some of which who has received and still receives money from the HSAG opponents) to derail the HSAG Class Action. We wish to comment as follows:

- The main aim of the HSAG is to serve the interest and rights of the members of the HSAG and not those of individuals. It also strives to recover the losses which HSAG members suffered as a result of their investments in the failed HS Companies.
- The very same “dispute” mentioned by Orthotouch forms part of the case of the HSAG against the former directors of the HS Companies as well as other parties who have allegedly misappropriated the investors' funds.
- The Business Rescue Plan ("the Plan") did not materialise and this also forms part of the court matters in the HSAG Class Action.
- Orthotouch thereafter introduced a Scheme of Arrangement ("Arrangement") which the HSAG on advice of Senior Advocates is in the process of setting aside.
- At the end of 2016 there was also an attempt (read below) to hijack the Class Action and above process when the claims of the Nominal Applicants (acting on behalf of the HSAG) were settled and they then attempted to withdraw the HSAG Class Action and all processes relating thereto.

- The HSAG identified new Applicants and is currently busy to set aside the above irregular withdrawal of the Class Action and the related matters. We are currently seeking to set down the matter on an urgent basis for hearing in the Pretoria and Johannesburg High Courts. See below the Founding papers of the two matters.
- We are aware that the Respondents in the Class Action may attempt to delay the hearing of the above cases, and if necessary, we shall advise the HSAG members of the dates when the matters are heard.
- We wish to confirm that the HSAG Class Action and setting aside of the Arrangement is continuing and that we positively await the High Courts' confirmation thereof.