



CALCULUS
CHARTERED ACCOUNTANTS (SA) & AUDITORS

Aanhangsel 1

**Calculus Chartered Accountants (SA) &
Auditors**

P O Box 1569
Garsfontein-East
0060
27 May 2011

Directors of Bosman & Visser (Pty) Ltd

**RE: Cash inflows of investments received and payments made for the 2009, 2010 and 2011
financial periods**

At the request of the directors of Bosman and Visser (Pty) Ltd we were approached to investigate the cash inflows of investments received and payments made for the 2009, 2010 and 2011 financial periods.

Based on our findings from our investigation we can report the following:

A total of R2.7 billion of investments was received during the above mentioned financial periods. 4.3% of investments received were used to cover operating expenses of PICVEST Investments (Pty) Ltd and related regional entities and 10.78% was paid as commission as per relevant prospectuses. R2.3 billion was for payments to and on behalf of Zephan Properties (Pty) Ltd.

We can report that there are no material differences.

Please note that the above mentioned opinion is based on our understanding of the information provided to us by you. Our opinion is solely for the purpose of the investigation and should not be used for any other purpose without prior consent. Please note that no audit has been performed.

If there is any further information you should require, please do not hesitate to contact us.

Yours truly,

Calculus Chartered Accountants (SA) & Auditors

Per: Heinrich Möller

Partners: H.P. Möller CA (SA) IRBA NR: 900-294
638 Jacqueline Drive
Garsfontein 0081
P.O. Box 1569
Garsfontein-East, 0060

In association with
Y.E. Paruk CA(SA)
J. Labuschagne (CFA)
J.T. Möller CA (SA)

Tel: 012 993 9500
Fax: 086 645 5644
E-Mail: heinrich@calacc.co.za
Website: www.calculusgroup.co.za

Acerbergal 2.



EUGENE KRUGER

**& CO. INCORPORATED ATTORNEYS
& KIE. INGELYF PROKUREURS**

Inc.Nr. 89/003938/21 Ing.No.
VAT Nr. 4530108622 BTW No.

Our Ref: E KRUGER/tb/M132
Ons Verwys:

Your Ref:
U verwys: MR NIC GEORGIU

23 May 2011

BY FAX: 086 695 4025

Zephan Properties (Pty) LTD

Dear Sir

RE: HIGHVELD SYNDICATIONS 15 – 22

We are addressing this letter to you on behalf of Bosman & Visser (Pty) Ltd who were the purchaser from yourselves or affiliated companies of all the properties mentioned in the prospectuses of syndications 15 – 22.

The properties of Syndications 15 – 18 had been transferred into the syndications but there are still properties to be transferred into 19, 20, 21 & 22.

In the Orthotouch agreement reference is made to the fact that there is a dispute between the sellers and Bosman & Visser (Pty) Ltd as to regards to the payment of the monies. We attach hereto copies of the audited financial statements of Bosman & Visser (Pty) Ltd from which it is clear that not only were the purchase prices paid in full but in fact an overpayment had been made to the sellers. The directors of Bosman & Visser (Pty) Ltd will take this matter up with you personally.

We would therefore like to formally place on record the following:

1. That the dispute between Bosman & Visser and Zephan and affiliated companies have been clarified and cleared.
2. In the event of the TRP and/or the shareholders not approving the Orthotouch agreement, the properties will be transferred into the name of the relevant syndications unencumbered forthwith.
3. Kindly acknowledge receipt of this letter and confirm the above.

Yours faithfully


EUGENE KRUGER & CO INC.

P.O. Box 36137, Menlo Park, 0102
875 Schoeman St., Arcadia, 0083
Tel: +27 (12) 342 3731
Fax: +27 (12) 342 4684
E-mail: algemeen@ekprok.co.za
Docex 208 Pretoria

Posbus 36137, Menlopark, 0102
Schoemanstr. 875, Arcadia, 0083
Tel: +27 (12) 342 3731
Faks: +27 (12) 342 4684
E-pos: algemeen@ekprok.co.za
Docex 208 Pretoria

Director / Direkteur
Eugene Kruger: B.Jur (UP), H. Dip. Co. Law (WITS)
Professional Assistant / Professionele Assistent
Eugene Kruger (Int.), B. Dia., B. Dia. (Hons) (Unisa), LL.B. (UP)
Associates / Assosiote
Lucas Andries du Toit / Voeliman: B. Proc., LL.B. (UP)
Ethal Kruger: B.A., LL.B. (STLU)

- 18.3. Hierdie noteringsproses van 'n entiteit genaamd Accelerate Property Fund Beperk, duur al langer as 'n jaar, en is onder meer verdrag deur die SA Bankbedryf se huiwering om befondsing te verskaf;
- 18.4. Die beplande notering het egter met wetslae op 12 Desember 2013 plaasgevind.
19. Hierdie notering het Orthotouch in staat gestel om omtrent alle bankskuld op alle eiendomme wat vir oordrag na die Orthotouch-portefeulje geormerk is, omvattend af te betaal. Voortspruitend uit die notering, is die waarde van die portefeulje van onbelaste eiendomme wat Orthotouch geregtig is om op sy naam oor te dra, sowat R3 miljard.
20. Die proses om die portefeulje in Orthotouch se naam te registreer sal nou begin. Slegs eiendomme wat Orthotouch in die lang termyn wil behou, sal oorgedra word. Eiendomme wat geormerk is om verkoop te word, sal tot geld gemaak word sodat die opbrengs vir die volgende benut kan word:
- 20.1. bedryfskapitaal;
- 20.2. verbeterings; en
- 20.3. ontwikkeling van die eiendomme wat in paragraaf 20 hierbo genoem word.
21. Die Plan maak voorsiening vir die administrasie van die Orthotouch-eiendomsportefeulje deur 'n maatskappy wat in die Plan as "JPA Admin" bekend staan.
22. Die Plan maak voorts voorsiening dat 'n sekretariële dienste-ooreenkoms tussen die HS-maatskappye en 'n maatskappy wat in die Plan as "JPA Sekretarieel" omskryf word, gesluit word.
23. Orthotouch se direksie het op 11 Februarie 2014 besluit dat Orthotouch die aandele in die maatskappy waarna daar in paragrawe 20.3 en 22 hierbo verwys word, moet bekom, en Orthotouch sal gevolglik voortaan sy eie eiendomsportefeulje administreer.
24. Orthotouch se ouditeure het die direksie op 21 Januarie 2014 in kennis gestel dat hulle te wyte aan hul werkklas dit moeilik vind om die Orthotouch-oudit te skeduleer, en het gevolglik bedank. Orthotouch se direksie het reeds nuwe ouditeure geïdentifiseer en samesprekings om hul aanstelling te finaliseer het op 11 Februarie 2014 plaasgevind. Na verwagting sal dit binnekort gefinaliseer word, en sal die nuwe ouditeure direk daarna met hul werk begin.

Waarde
R3 mlyn

"Aanhangsel 4"

3.

PURCHASE AND SALE

3.1. The SELLER hereby sells the enterprise to the PURCHASER who purchased the said enterprise as set out in paragraph 2.1.3 of the interpretation clause. The purchase price for all the said properties will be R 2 000 000 000.00 (Two Billion Rand Alone).

- 1 Centex Close Eastgate Ext 4 Sandton
- 1 Charles Crescent Eastgate Ext 4 Sandton
- 10 Charles Crescent Eastgate Ext 4 Sandton
- 9 Charles Crescent Eastgate Ext 4 Sandton
- Airport Shopping Centre
- Cell C Cnr South Rd & Rivonia Rd
- Ethos Erf 54 Illovo Gauteng
- Everite Heidelberg Road, Kliprivier Rem ext pf Ptn 5
- Glen Gables, 772 Lynwood Rd, Lynwood Glen Ext 3 Pretoria. Erf 772.
- Group 5 Cnr Paul Smit & 13th Avenue Anderbolt boksburg. Ptn 1859 of 411 Klipfontein farm 83.
- Highveld Centurion Cnr John Voster Dr & Logan Stre Centurion. Erf 4803
- Lifestyle On Kloof
- Pembury Melrose Section 1 - 90 Erf 3182 Bryanston
- Pembury Sandton 84 Katherine Street, Sandown Erf 23.
- Pri Movie 185 Kathrine Street, Eastgate Ext 4 Ptn 224 of Farm Zandfontein 43
- The Mill House 1 Canterbury Street, Cape Town, Erf 170672.
- Tyger Manor Shopping Centre
- Vaal Sanitary Cnr Morris & Lilly Roads Meyerton, Portion 121 Rillfontein Farm 264

3.2 The purchase price will be paid in 36 (Thirty six) variable installments until the full purchase price is paid. The purchaser will keep proper records of all payments made. There will be interest payable on the payments received at an interest rate of 8,325% per annum paid and calculated monthly in arrears. These payments will be paid to the seller's attorney or an account of the purchaser's choice.

4.

VAT

4.1. The parties warrant to one another that they are both vendors within the meaning of the VAT ACT.

"Aanhangsel 5"

Laboria House	1 189 386
Liberty Life	(866 839)
Lifestyles on Kloof	4 579 411
Mbizi Lodge (Caravan Park)	-
McFlea	97 059
Metropolitan Building	35 340
Nashua House (PE)	(15 863)
Nedbank Building	330 284
Nedcor Germiston	804 842
Park Plaza Hotel Santon	-
Pembury Retirement Lodge cc	2 103 913
Pri-movie Park	2 263 440
SA Eagle	320 234
Saveways Crescent Centre (witbank)	17 775 176
Sediba, Fountain Towers & VLU Bldgs	35 996
Spar Plaza Potgietersrus	3 089 913
St Andrews Street Centre	(523 478)
Standard Bank Centre Nelspruit	26 057
Storegate Building	(262 200)
Tile Africa	94 461
Trustfontein/Transtel Building	1 101 502
Tyger Manor	864 487
Willows Shopping Centre (Zelpy 2095)	3 750 685
Wilpark Conference Centre	12 934 393
Wonderboom Plaza	(112 512)
Woolworths Building: Mitchell's Plain	103 411
Woolworths Building: Secunda	11 985
Woolworths Building: Welkom	(4 749)
	<u>87 574 372</u>

- Waardevermindering

2

3. Valuation Impairment

Properties added per BRP from Syndications	2 598 013 768
Syndications Link Loan Accounts	(4 743 681 112)
	<u>(2 145 667 344)</u>

4. Accumulated Loss

Total Income from Rentals for period Dec 2011 to July 2014	1 015 728 220,18
Less:	
Total Direct Expenses	(533 685 796)
Collection Fee @ 4% of Total Income	(40 629 129)
Interest paid to Investors	(790 879 424)
Loss from Sales of Buildings	(181 181 855)
Increase in Values of Properties due to Improvements/Revaluation	69 033 494
Banks Costs as per Loan Zephah	(220 823 040)
Interest to Zephah	(513 429 540)
Accumulated Loss	<u>(1 195 867 069)</u>

Invoeringfactor

- Inkante

Rate betaal as - belaggen
Verlies van gelees wat verkoop is

5. Subordinated Loan : Zephah Properties

Subordinated Loan from Zephah Properties in favour of all creditors and Highveld Syndication companies	<u>500 000 000</u>
--	--------------------

6. Trade and Other Creditors

Deposits held	262 284
Municipal Deposits	1 400
Supplier Control Account	54 732 049
Vat / Tax Control Account	10 143 876
	<u>65 139 609</u>