

Companies and Intellectual Property Commission  
Republic of South Africa

Form CoR 139.1

About this Notice

- This form is issued in terms of section 171 of the Companies Act, 2008, and Regulation 139 of the Companies Regulations, 2011.
- You have the right within 15 business days to apply in terms of section 172, for an order confirming, modifying or setting aside all or part of this Notice. If the Notice was issued by the Commission, an application must be made to the Companies Tribunal in Form CTR 142. If this Notice was issued by the Takeover Regulation Panel, an application may be made to the Takeover Special Committee.
- A Compliance Notice remains in force until it is set aside on review, or until the issuing authority later issues a compliance certificate in the matter.

Contacting the  
Commission

The Companies and Intellectual  
Property Commission of South Africa

Postal Address

PO Box 429  
Pretoria  
0001  
Republic of South Africa  
Tel: 086 100 2472

www.cipc.co.za

Compliance Notice

Date: 25 /10/2021

To:

*(Insert name and registration number of company, or name and identity number of individual)*

Name: NOVA PROPGROW GROUP HOLDINGS LTD

Reg/ID No: 2011/003964/06

From:  The Commission

The Takeover Regulation Panel

The Commission, or the Takeover Regulation Panel, as the case may be, believes on reasonable grounds that the company named above has contravened the Companies Act 71, of 2008. In particular, the Commission states that the company has failed to comply with Section 29, specifically:

**PLEASE SEE ATTACHED ANNEXURE "A"**

You are required to take the steps set out in the attached statement to bring the company's conduct into compliance with the Act.

**Failure to comply with this Notice may result in any of the following consequences:**

- (a) **prosecution in terms of section 214 (3) of the offence of failing to satisfy a compliance Notice, the maximum penalty for which is a fine or 12 months imprisonment; or**
- (b) **imposition of an administrative fine, in terms of section 171 (7)(a).**

If this notice requires the company to file overdue annual returns, failure to comply may result in the deregistration of the company, in terms of section 80 to 82.

**Any person who is repeatedly guilty of an offense in terms of the Act, including the offence of failure to satisfy a compliance notice, may be placed on probation as a director, or declared a delinquent director, and disqualified from serving as a director, in terms of section 162.**

Name and Title of person signing on behalf of the Commission or Panel:

Adv. Rory Voller  
Commissioner

Authorized Signature



**Companies and Intellectual Property Commission  
Republic of South Africa**

---

**Annexure "A"**

**STATEMENT TO BRING THE CONDUCT OF NOVA PROPGROW GROUP HOLDINGS LTD  
2011/003964/06 TO COMPLIANCE WITH THE COMPANIES ACT NO. 71 OF 2008 ("ACT")**

A Form CoR 19.1 was issued to you on 04 February 2021 in terms of Section 22 of Companies Act, 71 of 2008 (as amended), on the grounds that the company may be carrying on its business recklessly, with gross negligence, with intent to defraud any person or for any fraudulent purpose, or is unable to pay its debts as they become due and payable in the normal course of business.

Based on the evaluation of the response received by the board of directors dated 03 March 2021, the company failed to adequately address two of the three (3) matters that were raised in the CoR. 19.1, i.e. to provide proof that:

- for the financial year ended 28 February 2022, adequate financial resources will be available to meet the financial obligations due and payable
- the Debenture Holders are in agreement with the claim made in Note 17 of the annual financial statements for the financial year ended 28 February 2019.

In order to conclude the case, the following is required from you **within 40 business days from the date of this Notice**:

- i. **Submit to the Commission a signed resolution of the Board's intention to 'exit the Debentures' in order to substantiate the statement made in the Communique to the public, titled *Communique – Nova Group Update* and dated 9 April 2021**
- ii. **Submit a copy of the approved audited annual financial statements for the financial year ended 28 February 2021 for the Commission to make an evaluation of the company's current liabilities for the 12 months ending 28 February 2022 so as to negate the allegation of potential insolvency or financial distress**
- iii. **Submit to the Commission, written and signed approval from the Debenture Trustee or his\her proxy (or equivalent), that the Nova Board of Director's *may* postpone the payment of Debentures, beyond the projected 10-year Scheme of Arrangement period; subject to the board still maintaining the view that it has the discretion to postpone the payment of Debentures beyond the projected 10-year Schemes of Arrangement period**
- iv. **Subject to the inability to fulfil point (iii) above, substantive proof that the company has and will have sufficient liquid assets that can and or have been realised into cash and cash equivalents to allow the company to meet its current liabilities for and before the end of the financial year ending 28 February 2022.**