



NOVA PROPERTY GROUP

Nova Property Group Investments Proprietary Limited (2009/014997/07)

**RESPONSE BY NOVA TO AFRIFORUM PRESS CONFERENCE ON THEIR FACEBOOK PAGE AS WELL AS
SUBSEQUENT PRESS ARTICLES IN VARIOUS PAPERS AND ELECTRONIC MEDIA PLATFORMS - 22 June 2020**

Most of what was discussed on Afriforum this morning (22 June 2020), is based on factually flawed and incorrect information and assumptions. It is noteworthy that Nova was not consulted to provide the correct facts, and that the public is now completely misinformed, which is most certainly causing concern amongst those historically invested.

As a factually correct and enlightening reference, attached is the "Publication Detail" of the Reserve Bank dated 28-02-2012, in terms of which the Directives were withdrawn.

In terms of sections 81 to 84 of the Bank's Act, the Reserve Bank can direct a person to repay money, if the Registrar is satisfied that a person has illegally taken deposits from the general public.

Following an investigation by the Reserve Bank, through two appointed managers, into the affairs of Sharemax Investments Proprietary Limited and the property companies it had promoted ("Sharemax") the Registrar of Banks found that the funding models used to obtain funds were in contravention of the Bank's Act and Directives were issued to Sharemax in September 2010 to repay the funds obtained from the general public.

A Review Application against the Reserve Bank's findings was instituted by Sharemax. This Review Application was pended in agreement with the Reserve Bank, pending the restructuring of the historical Sharemax Group, was never finalized and was withdrawn with the occurrence of the withdrawal by the Reserve Bank of the Directives as per the "Publication Detail" referred to above.

On 8 February 2012 the Reserve Bank confirmed through a Media Statement, that it had carried out its mandate **to ensure the compliance of Sharemax with the Bank's Act** and also confirmed that the Directives issued to Sharemax to repay investors had been withdrawn. This follows the approval of Schemes of Arrangement by the High Court in January 2012.

There was therefore no “illegality” and the property companies and their underlying assets taken over by Nova complied with the Banks’ Act and cannot, therefore, be regarded as assets acquired from the proceeds of crime, or as Moneyweb describes it, Nova having been established with the proceeds of crime.

In the Fact Sheet which formed part of the attached “Publication Details” by the Reserve Bank, the Reserve Bank confirms that the finding that Sharemax contravened the Bank’s Act, is not a conviction of criminality of the persons involved in the scheme.