



## Media Release

### **CIPC moves closer to finalising long-running Nova-Sharemax Investigation**

**Pretoria – 04 June 2026**

The Companies and Intellectual Property Commission (CIPC) is nearing a legal turning point in its long-running investigation into the business affairs and compliance status of Nova PropGrow Group Holdings Ltd ('Nova'), which ensued in the first half of 2020.

On 21 February 2021, the CIPC issued Nova with a Notice to Show Cause Regarding Reckless Trading or Trading Under Insolvent Circumstances through Form CoR. 19.1, requiring it to show cause why it should be permitted to carry on business or to trade.

Following an unsatisfactory response from Nova's board, the CIPC issued a Compliance Notice on 25 October 2021, affording the company a final opportunity to prove that it would not be in a financially distressed position by the end of its financial year, i.e. 28 February 2022.

This requirement stemmed from the CIPC's assessment of the company's annual financial statements (AFSs), considering the financial obligations to which the company is viewed to be bound, as understood and interpreted by the CIPC regarding the Schemes of Arrangement (SoA) referenced in the Notes of the company's annual financial statements.

The CIPC is mandated to enforce the Companies Act in its widest form. Due to the complaints received from the public, including, but not limited to brokers and investors; the CIPC is obligated to defend its regulatory integrity in the area of compromises, business rescue proceedings and business rescue practitioner conduct, annual financial statements compliance, director conduct and governance, among other areas.

In line with Section 22(3) of the Act, CIPC issued a further compliance notice to the company on 26 July 2022, placing a temporary cessation of its business activities, on the condition that it may continue to meet existing contractual obligations, but prohibiting the disposal of any immovable property.

Any action or conduct, whether by omission or commission, by the Nova board that directly or indirectly circumvents the compliance notice prohibiting the disposal of immovable property; will trigger drastic enforcement steps against the board, including personal liability.

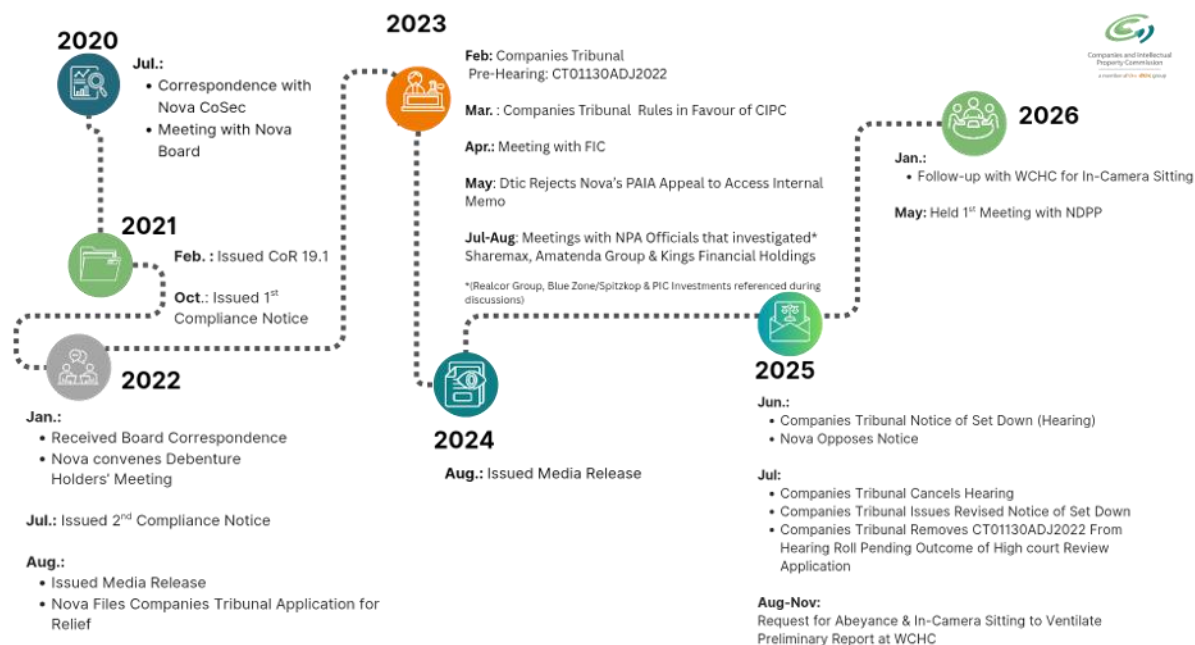
Given the gravity of the case on a national scale, CIPC expanded its investigations to include inter-regulator engagements aimed at reaching a factually and legally accurate account of the events, actions and decisions that led to the collapse of significant parts of the property syndication industry, from which Nova derived its assets and liabilities.

Part of this process includes availing a preliminary report to all non-State affected parties under the strict conditions of a non-disclosure agreement already signed by the said parties. As recorded in the Media Release dated 5 August 2024, the CIPC will ensure the compilation of a final report to uphold procedural fairness, which will be in accordance with the outcomes of a proposed Inquisition (or an alternative platform preferred by the State and affected parties) that the CIPC has sought to convene since 2024.

At this juncture in the investigation, the CIPC anticipates that based on the merits thus far, the National Director of Public Prosecution (NDPP) will intervene and consider the most efficient and prompt legal recourse under the current circumstances, taking into account available remedies from avenues like Section 38 of the Prevention of Organised Crime Act (POCA), 121 of 1998 and/or Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA).

The CIPC has reaffirmed its commitment to fulfilling its regulatory mandate and acknowledges the financial hardship experienced by several Debenture Holders and Investors of the various companies forming the subject of this appraisal.

### Nova-Sharemax Investigation Key Milestones:



**Ends**

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