

Dear Sir / Madam

REALCOR INVESTOR UPDATE

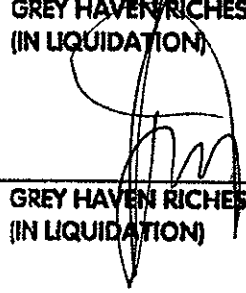
- Realcor investor claims of over R600-million lie mainly against:-
 - Grey Haven Riches 9 Limited (in Liquidation).
 - Grey Haven Riches 11 Limited (in Liquidation).
 - Iprobrite Limited (in Liquidation).
- These three special purpose vehicles have, as their only assets, substantial claims against Midnight Storm Investments 386 Limited (in Liquidation) ("MSI").
- MSI was the owner and developer of the unfinished hotel development in Blaauwberg. This uncompleted property did not realise sufficient funds to cover the secured claims which were proved against MSI.
- MSI, in turn, has a substantial claim against Purple Rain Properties No 15 (Pty) Limited (in Liquidation) ("PRP"), the company into whose banking account investor funds were deposited and from which brokers were paid some R87-million in commissions.
- On 11 December 2013, upon the application of the joint liquidators of MSI and PRP, the High Court of South Africa (Western Cape Division, Cape Town) ordered the holding of a joint Commission of Inquiry into the affairs of MSI and PRP and appointed retired Judge Dennis van Reenen as Commissioner.
- The Commission of Inquiry, which commenced on 23 April 2014, is confidential and has:-
 - heard evidence from a number of witnesses.
 - been postponed sine die by retired Judge van Reenen to accommodate an application to be brought by the South African Reserve Bank to set aside subpoenas issued on one of its representatives and on one of the managers it appointed in 2008 in terms of the Banks Act 94 of 1990.
- The purpose of investigating the affairs of MSI and PRP is to establish, inter alia, whether any third parties may be liable for the debts of these companies or for any other amounts.



- Until such time as the Inquiry referred to above has been concluded and any legal actions which may arise therefrom have been finalised, there is no real prospect of a return to investors.
- Any further significant progress will be communicated to investors in due course.

DATED AT CAPE TOWN, THIS 12TH DAY OF AUGUST 2014



GREY HAVEN RICHES 9 LIMITED
(IN LIQUIDATION)

GREY HAVEN RICHES 11 LIMITED
(IN LIQUIDATION)

IPROBRITE LIMITED
(IN LIQUIDATION)