

Statement R 8/21

ISSUED ON BEHALF OF THE ASSOCIATION FOR THE MONITORING AND ADVOCACY OF GOVERNMENT PENSIONS (AMAGP)

Cape Town
4 May 2021

Have the PIC and GEPF abandoned litigation against Sekunjalo Independent Media and AYO?

On 2 Dec 2020, the Public Investment Corporation (PIC) appeared before the Parliament's Standing Committee on Finance (SCOF) and gave an express undertaking to implement the recommendations of the Mpati Commission which had delivered a damning report on the conduct of Iqbal Survé and Daniel Matjila. Not much has been heard in this regard since then.

The collaboration between Survé and Matjila has left the Government Employee Pension Fund (GEPF) facing the almost certain loss of more than six billion rand through the PIC's investments in Sekunjalo Independent Media and AYO Technology Solutions.

Since then, the tactics of delay and prevarication have become increasingly obvious.

More than two years ago in November 2018, Finance Minister Tito Mboweni, in response to a question in parliament from the Democratic Alliance, revealed that Iqbal Survé had not repaid the due amount on a loan of more than half a billion rand made by the PIC in 2013 to buy the Independent Media newspapers. With accrued interest, the amount owed on that loan now exceeds a billion rand.

On 17 February 2019, three months after this acknowledgment by Mboweni, a Sunday Times headline read 'How Iqbal Survé splurged R140m on luxury apartments while PIC wrote off R1bn loan'. Since then that process has probably accelerated.

Five months after Mboweni's announcement – on 3 April 2019 - Iqbal Survé, to the dismay and anger of almost two million government employees and GEPF pensioners, acknowledged to the Mpati Commission that he was still making no effort to repay the due amount on the PIC loan but was nevertheless servicing the loans of his Chinese funders.

There was no response from the PIC to this disturbing under-oath manifestation of Survé's contempt for the wellbeing of the country's government workers.

Two years ago, on 29 May 2019, the PIC lodged summons in the Cape High Court to recoup the R4, 3 billion invested in AYO Technology Solutions. The shares for which Daniel Matjila had seen fit to pay R43 each are now trading on the Johannesburg Stock Exchange (JSE) for less than R10 each which means that the State's employees and pensioners will never see a return on what could perhaps be justifiably described as 'Matjila's folly'.

Then, in October 2019, the chairman of the PIC, Dr Reuel Khoza, stated that, in order to safeguard government pensions, it would be necessary to liquidate Sekunjalo Independent Media. A month later the state asset manager applied to the Cape High Court to liquidate Sekunjalo Independent Media saying that it was technically insolvent and unable to meet its financial obligations.

Since then, nothing further has been heard about these two court cases and when court dates were sought by the Democratic Alliance and journalists, the PIC refused to supply the information. We again ask **WHY?**

AMAGP in its Statement No 7/21 referred to the secrecy prevailing about the Independent Media and AYO matters and almost begged the concerned authorities to provide clarity about the litigation that had been initiated. Let us again name those authorities: **The Government, the PIC and the Board of Trustees of the GEPPF.** We went so far as suggesting that things were being swept under the carpet. As usual the reaction was an alarming silence which tends to confirm our worst fears.

AYO Technologies Solutions (AYO) has not been as secretive about its deal with the PIC. In a statement by them on 30 April 2021 we find the following interesting information:

'AYO further said it was in the process of appointing an independent legal expert, to review the report of the Mpati Commission of Inquiry, to assess the findings in relation to AYO and where necessary make recommendations to AYO. (WHY?)

'Such appointee will be a retired judge and/or retired senior advocate, that has no current or previous links with AYO, has not been employed by AYO, nor has any other direct or indirect connection to AYO. AYO and its Board will extend the appointed legal expert full access to all AYO documentation leading up to the investment by the Public Investment Corporation (PIC) including all emails, correspondence, Board meetings minutes, and any other relevant records.'

So, **AYO** is appointing a commission of inquiry - terms of reference included - to investigate **AYO** which will report to **AYO**.

Quis custodiet ipsos custodes?

Furthermore:

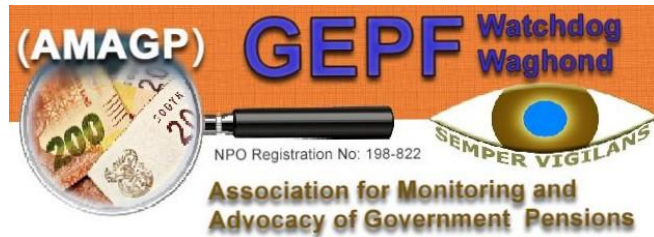
‘The company said it would also escalate the mediation process with the PIC to reach an amicable solution and develop a positive investor-investee relationship with the asset manager.

‘AYO has already engaged in a mediation process with the PIC as AYO is of the view that a protracted legal dispute is not in the interest of the PIC, AYO or its employees. Management will endeavour to accelerate this engagement in an effort to reach a speedy and amicable resolution.’

‘Already engaged in a mediation process?’ Thank you AYO for letting workers and pensioners know what is happening with their money!

Is the cat now out of the bag? Is this why we hear nothing about progress in the courts?

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Verklaring 8/21

UITGEREIK NAMENS DIE VERENIGING VIR DIE MONITERING EN BEVORDERING VAN STAATSDIENSSPENSIOENE (AMAGP)

Kaapstad
4. Mei 2021

Het die Openbare Beleggingskorporasie en die Staatsdienspensioenfondse afgesien van die regsgedinge teen Sekunjalo Independent Media en AYO?

Op 2 Desember 2022 het die Openbare Beleggingskorporasie (OBK) voor die parlement se Staande Komitee oor Finansies (SKOF) verskyn en 'n uitdruklike onderneming gegee om die aanbevelings van die Mpati-kommissie, wat 'n verdoemende verslag oor die gedrag van Iqbal Survé en Daniel Matjila gelewer het, te implementeer. Sedertdien is nie veel hieromtrent gehoor nie.

Die samewerking tussen Survé en Matjila het die Staatsdienspensioenfondse (GEPF) met die byna seker verlies van meer as ses miljard rand deur die OBK se beleggings in Sekunjalo Independent Media en AYO Technology Solutions gelaat.

Sedertdien het die taktiek van vertraging en uitstel toenemend ooglopend geword.

Meer as twee jaar gelede, in November 2018, het Minister van Finansies Tito Mboweni, in reaksie op 'n vraag van die Demokratiese Alliansie in die parlement, onthul dat Iqbal Survé nog nie die bedrag op 'n lening van meer as 'n halfmiljard rand, wat die OBK in 2013 aangegaan het om Independent Media se koerante te koop, terugbetaal het nie. Met opgelope rente oorskry die bedrag verskuldig op die lening nou 'n miljard rand.

Op 17 Februarie 2019, drie maande ná hierdie erkenning deur Mboweni, het 'n Sunday Times-opskrif geles: 'Hoe Iqbal Survé R140 m op luukse wonings verkwis het terwyl OBK R1 miljard afgeskryf het' ('How Iqbal Survé splurged R140m on luxury apartments while PIC wrote off R1bn loan'). Sedertdien het die proses waarskynlik versnel.

Vyf maande ná Mboweni se aankondiging – op 3 April 2019 – het Iqbal Survé, tot die ontsteltenis en woede van twee miljoen regeringswerknemers en GEPF-pensionarisse, teenoor die Mpati-kommissie erken dat hy nog steeds geen poging aangewend het om die bedrag verskuldig op die OBK-lening terug te betaal nie, maar nietemin die lenings van sy Chinese finansiers gediens het.

Van die kant van die OBK was daar geen reaksie op hierdie ontstellende manifestasie onder eed van Survé se minagting van die welsyn van die land se regeringswerknemers nie.

Twee jaar gelede, op 29 Mei 2019, het die OBK 'n dagvaarding by die Kaapse Hooggeregshof ingedien om die R4.3 miljard wat in AYO Technology Investments belê is, teverhaal. Die aandeel waarvoor Daniel Matjila dit goed gedink het om R43 stuk te betaal, verhandel nou op die Johannesburgse Effektebeurs (JSE) vir minder as R10, wat beteken dat die staat se werknemers en pensionarisse nooit 'n opbrengs sal sien op wat miskien geregverdig as 'Matjila se dwaasheid' beskryf kan word.

Toe, in Oktober 2019, het die voorsitter van die OBK, dr Reuel Khoza, verklaar dat, om regeringspensioene te beveilig, dit nodig sou wees om Sekunjalo Independent Media te likwideer. 'n Maand later het die staat se batebestuurder 'n aansoek by die Kaapse Hooggeregshof ingedien om Sekunjalo Independent Media te likwideer en gesê dat dit tegnies insolvent was en nie in staat was om sy finansiële verpligtinge na te kom nie.

Sedertdien is niks verder van hierdie twee hofsake gehoor nie, en toe die Demokratiese Alliansie en joernaliste hofdatums gesoek het, het die OBK geweier om die inligting te gee. Ons vra weer WAAROM?

In sy verklaring nr. 7/21 het AMAGP verwys na die heersende geheimsinnigheid oor die Independent Media- en AYO-sake en byna die betrokke owerhede gesmeek om duidelikheid te verrskaf oor die regsdinge wat geïnisieer is. Laat ons weer daardie owerhede noem: **die regering, die OBK en die Raad van Trustees van die GEPPF.**

Ons het so ver gegaan as om te suggereer dat dinge onder die mat ingevee word. Soos gewoonlik was die reaksie 'n ontstellende stilte wat geneig is om ons ergste vrese te bevestig.

AYO Technologies Solutions (AYO) was nie so geheimsinnig oor sy ooreenkoms met die OBK nie. In 'n verklaring deur hulle op 30 April 2021 het ons die volgende interessante inligting gevind:

'AYO het verder gesê hy was in die proses om 'n onafhanklike regskundige aan te stel om die verslag van die Mpati-kommissie van ondersoek na te gaan, om die bevindings met betrekking tot AYO te assesser en waar nodig aanbevelings aan AYO te maak. (WAAROM?)

'So 'n aangestelde sal 'n afgetrede regter en/of afgetrede senior advokaat wees wat geen huidige of vorige bande met AYO het nie, nie deur AYO in diens geneem is nie, en nie enige ander direkte of indirekte verbintenis met AYO het nie. AYO en sy raad sal aan die aangestelde regskundige volle toegang toestaan tot alle AYO-dokumentasie wat tot die belegging deur die Openbare Beleggingskorporasie (OBK)

gelei het, insluitende alle e-posse, korrespondensie, notules van raadsvergaderings, en enige ander tersaaklike rekords.'

AYO stel dus 'n kommissie van ondersoek aan – met inbegrip van die opdrag van 'n kommissie – om **AYO** te

ondersoek, wat aan **AYO** sal verslag doen.

Quis custodiet ipsos custodes? (Wie hang die laksman?)

Verder meer:

'Die maatskappy het gesê hy sou ook die mediasieproses met die OBK eskaleer om 'n vriendskaplike oplossing te bereik en 'n positiewe belegger-beleggingsinstansie-verhouding met die batebestuurder te ontwikkel.'

'AYO het reeds in 'n mediasieproses met die OBK betrokke geraak, omdat AYO van mening is dat 'n uitgerekte regsdispuut nie in die belang van die OBK, AYO of sy werknemers is nie. Die bestuur sal probeer om hierdie betrokkenheid te versnel in 'n poging om 'n spoedige en vriendskaplike oplossing te bereik.'

'Alreeds betrokke in 'n mediasieproses?' Dankie, AYO, dat julle werkers en pensionarisse laat weet wat besig is om met hulle geld te gebeur!

Is die aap nou uit die mou? Is dit waarom ons niks hoor oor vordering in die howe nie?

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