

MEDIA STATEMENT

10 OCTOBER 2019

Sekunjalo Group to approach the High Court to set aside the FSCA search and seizure application

Sekunjalo Investment Holdings (the Sekunjalo Group) has consulted legal counsel and has now perused the Financial Sector Conduct Authority's (FSCA) application that resulted in the raid on our offices and that of African Equity Empowerment Investments (AEEI) yesterday, Wednesday 9 October 2019.

We are of the considered opinion that the FSCA's application is entirely without merit and that Judge Gamble was misled by the FSCA. His decision to grant this application was based, as it was, on a gross misrepresentation of the facts and the vital omission of material information. We have accordingly instructed our legal counsel to proceed to the High Court to set the FSCA application aside.

We have instructed our legal counsel to proceed with haste with an extensive damages claim against the FSCA, its acting commissioner as well as the investigators that participated in the irregular raid on our offices. The claim will be made jointly and severally against the FSCA and the above participants.

We will also include an action to recover damages from the FSCA and individuals directly linked to the organisation that have accrued as a result of the action brought by the FSCA.

It should be noted that the FSCA has not raided any other company operating in South Africa, in the way they invaded our offices. There are many accounts in the public domain of corruption at Steinhoff, Tongaat Hulett, EOH and hundreds of other companies, yet, the FSCA raids our offices on the pretext of share price manipulation. Their behaviour is inconsistent with that of a regulator, and in breach of their functions. Their actions have brought the office of the FSCA regulator into disrepute. This is a blatant abuse of power with the specific purpose to achieve private, personal and political agendas.

Their draconian actions are a violation of the constitutional rights of the citizens of our country and in particular, black business.

We further point out that the application, which is largely focused on share trades, has 90% of these items requested already in the public domain and could easily have been accessed or obtained via a request for information, or a normal subpoena. There was absolutely no need for the issuing of a search and seizure order. It is an unprecedented and draconian measure, which also incurred significant cost to the Regulator, with at least 15 investigators being flown in from elsewhere in the country to participate in the ensuing intimidation. These are heavy armed tactics that are completely unwarranted.

We stand by our statement of 9 October that there are rogue elements who have insidiously infiltrated all levels of society in South Africa and who consider themselves above the law. Indeed,

we are of the opinion that the purpose for bringing the search and seizure was not so much to obtain information about Sekunjalo and AYO but rather, to access privileged information and media sources incriminating high profile individuals in corruption and collusion to undermine the constitutionality of the country. These persons cannot afford to have any evidence reach the public space and will try anything to prevent it – they have much to lose.

To be clear, Sekunjalo stands firmly behind President Ramaphosa and the Minister of Finance, Tito Mboweni, in their efforts to define policy and implement plans necessary to claw South Africa back from the brink of economic disaster. The country sits on the edge of the fiscal cliff and cannot be permitted to plunge over it.

An economic precipice threatens everyone's democratic freedom, and we simply cannot allow those who would seek to disrupt this, to achieve their agenda. There are too many who speak with forked tongues and wear two faces – they know who they are, and the South African public deserves to know them too.

Our action and this statement are not designed to curry favour with the highest powers of this land, but rather, to alert those in office who remain true to the Constitution that they have a duty to the people of South Africa to root out corrupt individuals. Our constitutional values cannot be eroded, they were won through much sacrifice.

We also consider the action to be an abuse of press freedom in South Africa, and the right for sources to remain anonymous and protected.

We will protect these rights as well as the rights that every South African has to a free and democratic, economically secure future. We will therefore continue, through legal means, to root out the deep and systemic corruption in this country and publicly expose those responsible.

Sekunjalo is confident that it will be successful in its lawsuit against the FSCA. The company reserves its rights.

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Issued on behalf of
Dr Iqbal Survé
Chairman
Sekunjalo Investment Holdings (PTY) Limited
10 October 2019