



MINISTRY
PUBLIC ENTERPRISES
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

MINISTER GORDHAN CLARIFIES SAA SEP PROCESS

PRETORIA-23 JUNE 2021. The Ministry reiterates that President Ramaphosa’s remarks made on 22 June 2021 in Cape Town, on the process of acquiring a strategic equity partner for SAA, are consistent with the statement issued by Minister Gordhan on 11 June 2021.

In the 11 June statement of the Minister of Public Enterprise, we state explicitly that:

- “In parallel with phase one, complete all the necessary due diligence requirements, obtain all the required approvals and conclude all the legal agreements necessary to consummate this partnership.”
- As part of key elements of ownership; “Subsidiaries: As part of the due diligence process, the DPE and the Consortium will carry out a joint assessment on the future of the subsidiaries.”
- “Once the due diligence exercise is completed and the definitive sale and purchase agreement is concluded, a further release will be issued.”

The announcement followed a rigorous, year-long process undertaken by DPE to identify a suitable SEP for SAA. This process commenced whilst SAA was under the control of the Business Rescue Practitioners (BRPs). The Ministry has been transparent in communicating the milestones in the process to announce the preferred SEP for SAA.

In this process the following are the steps to be undertaken:

1. The receipt of more than 30 expressions of interest for SAA and its subsidiaries
2. The appointment of transaction advisor to independently assess the EOIs and develop a shortlist after an evaluation
3. The screening of each of the expressions of interest by the transaction advisor.
4. Preparation of a shortlist.
5. Further evaluation of the shortlist.
6. The choice of a preferred candidate for the SEP, with the appropriate exclusivity.
7. This will be followed by a due diligence process. Firstly, by the department into the consortium. Secondly, by the consortium into SAA.

8. Thereafter a purchase and sale agreement will be negotiated and signed.
9. As indicated above, “In parallel with phase one, complete all the necessary due diligence requirements, obtain all the required approvals and conclude all the legal agreements necessary to consummate this partnership.” This will entail compliance with the PFMA and other regulatory requirements.

This is exactly what the President explained.

Cabinet approved the preferred SEP on 9 June 2021.

We trust the above clarifies the matter.

Issued by the Ministry of Public Enterprises
23 June 2021