

**EOH HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 1998/014669/06)

JSE share code: EOH ISIN: ZAE000071072

("EOH" or "the Group")



---

**EOH RESPONDS TO MEDIA COVERAGE ALLEGING IMMINENT SITA BLACKLISTING**

---

**Overview**

*When the corruption scandal broke early in February 2019, the new leadership of EOH approached its customers, partners, Business Leadership South Africa (BLSA), Department of National Treasury (DNT) and the Department of Public Enterprises (DPE) on what EOH needed to do in order not to be blacklisted. This was paramount to saving as many of the jobs in EOH as possible. The new leadership also employed the services of ENSafrica and Rothschilds to advise them on the best way forward. In all cases the advice and requirements were similar:*

- *Do you know what went wrong?*
- *What have you done to remediate the controls and governance to prevent future failures?*
- *Were your actions sufficient against those who perpetrated the wrongdoing including those in charge who knew but turned a blind eye?*
- *Have you transparently reported the wrongdoing to all the required authorities?*
- *Have you held the perpetrators to account?*

The new leadership embarked on over 100 man-hours of presentations and meetings with authorities, regulators, customers, partners and financial institutions to explain our situation. In all instances we were given the green light to continue as is, although in some cases we needed to show continual improvement. This process is largely over now.

Our customers and partners have remained loyal to us through our continued improvement journey. In fact we have seen many of our customers and partners maintain ongoing relationships with us and we are also seeing many customers now willing to progress with multi-year contracts.

**Engagement with the SITA**

EOH has to date been following the due process as set out by the SITA and is similar to other processes we have successfully completed with other stakeholders. We have made our representations and followed all the required guidelines in this regard. SITA must now follow due process and make its recommendations to DNT. Due to the fact that this matter is now attracting media attention, EOH is providing clarity regarding its multiple engagements with the SITA to date.

It is important to note that EOH has treated the State Information Technology Agency (SITA) in the same transparent manner that it has engaged with all affected stakeholders during the ENSafrica forensic investigation. Steven Powell, the head of forensic investigation at ENSafrica actively engaged with the SITA Internal Audit Executive as well as the SITA Governance Risk and Compliance Executive on the following dates:

- **20 March 2019:** ENSafrica updated the SITA on the investigations into the Department of Defence and the Department of Water and Sanitation contracts;
- **24 July 2019:** ENSafrica mailed the SITA a copy of the [Interim update report \(https://www.eoh.co.za/wp-content/uploads/2020/09/Interim-Update-on-ENS-investigation\\_16-July-2019.pdf\)](https://www.eoh.co.za/wp-content/uploads/2020/09/Interim-Update-on-ENS-investigation_16-July-2019.pdf) as published on the EOH website; and
- **23 September 2020:** ENSafrica provided the SITA with a general update and warned SITA that EOH was subpoenaed to give evidence at the Enquiry into State Capture.

In addition, correspondence was sent to the acting caretaker Mr Luvuyo Keyise on the 5<sup>th</sup> of March 2019 and again on the 20<sup>th</sup> of April 2021 explaining the extensive remediation and governance enhancement work implemented within EOH by the new EOH board and management. The receipt of these communications were acknowledged. EOH anticipated this action, two years ago when the scandal broke and was the very reason why EOH approached SITA with the information just weeks after the start of the ENSafrica investigation in March 2019, and we have continued to keep them updated.

EOH was therefore surprised to receive the letter from the SITA on the 21<sup>st</sup> of June 2021 (although dated 4<sup>th</sup> of June 2021) which intimated that the SITA would consider restricting EOH from doing business with the public sector based on Nexia SAB&T's forensic audit report to parliament on the Department of Home Affairs (DHA) ABIS project.

As background to our representations to SITA:

- EOH gave its full co-operation to DHA and their Nexia SAB&T forensic investigation. In fact ENSafrica shared the very emails accompanying the SITA's letter with Nexia SAB&T on behalf of EOH. These shared emails are the basis of SITA's letter to EOH;
- ENSafrica also provided SITA with a compelling independent letter outlining why the new leadership of EOH should not be sanctioned; and
- The letter outlined EOH's remedial actions which included the exiting of, and institution of criminal and civil proceedings against the previous EOH management and alleged perpetrators of wrongdoings.

Should SITA recommend to the DNT that EOH should be restricted from doing business with the Public Sector for a period, EOH will again make the following representations based on the guidelines set out by the DNT and as guided by our legal counsel:

- this is an issue that was perpetrated by the old management of EOH, all of whom have been exited from EOH;
- EOH and ENSafrica have suggested to SITA they should recommend that the old EOH management be blacklisted and not the new leadership;
- the SITA's only mandate with regards to the DHA ABIS award, was that of a procurement agent;
- EOH's pricing for the DHA ABIS project was competitive as it was R200 million less than the next highest bidder;
- EOH substantially performed and delivered on 51 out of 60 milestones of the DHA ABIS project, before assigning the agreement to IDEMIA at the request of the DHA and with the approval of the DNT; and
- following a year-long engagement process, the agreement was then assigned to IDEMIA on the same terms and conditions that it was originally awarded in terms of the budget - additional information in this regard can be found [here \(https://www.eoh.co.za/press-releases/eoh-provides-comment-on-ensafricas-steven-powell-providing-further-testimony-to-the-judicial-\)](https://www.eoh.co.za/press-releases/eoh-provides-comment-on-ensafricas-steven-powell-providing-further-testimony-to-the-judicial-)

[inquiry-into-allegations-of-state-capture-the-commission-and-the-dha-forensic-submission-to-parl/](#).

It is also important to note that our legal counsel have advised that SITA can only recommend restricting EOH from doing business with the Public Sector, and this has been confirmed by the DNT. Should SITA recommend said restriction to the DNT, EOH has the right to representation as well as taking the matter on appeal. Given what EOH has achieved in the past two years, our legal counsel believes that we have a very strong case against any blacklisting.

### **Conclusion**

EOH is confident that this situation will be resolved correctly. EOH Group Chief Executive officer, Stephen van Coller said, “Our current management team and board of directors have spent a significant amount of time rebuilding EOH's credibility, driving transparency in the business and ensuring the accuracy and reliability of the financial information disclosed to stakeholders, whilst continuing to resolve the remaining inherited legacy issues. The EOH management team remain committed to transparency and the timeous dissemination of relevant and accurate information to all stakeholders as it seeks to resolve this matter”.

6 July 2021

---

Sponsor



**For media enquiries please contact:**

**Michael Rubenstein – Aprio**

**michael@aprio.co.za**  
**082 903 7797**

**Or**

**Head of EOH Investor Relations and Group Communications**

**Zihle Nonganga**  
**zihle.nonganga@eoh.com**