



African Equity Empowerment Investments (AEEI), the diversified majority black-owned investment group, yesterday denied that a call option claimed by investee partner company BT Communications Services South Africa was capable of being exercised. Picture: David Ritchie/African News Agency(ANA)

## AEEI questions BT Communication Services' call option claim

By Edward West - 10 June 2021

AFRICAN Equity Empowerment Investments (AEEI), the diversified majority black-owned investment group, yesterday denied that a call option claimed by investee partner company BT Communications Services South Africa was capable of being exercised.

AEEI, which is controlled by Sekunjalo Investment Holdings, is an indirect shareholder in BT Communications Services South Africa (BTSA) through its 100 percent shareholding in Kilomix Investments, which owns 30 percent of BTSA.

AEEI's denial of the call option comes after BTSA said it wished to terminate its relationship with Sekunjalo through the call-option, after an alleged misrepresentation to Parliament's standing committee on finance.

In terms of the shareholders agreement entered into between BT Limited (BT) (formerly British Telecom), BTSA, Kilomix Investments and AEEI on November 4, 2008, BT had a call option allowing BT to repurchase the BTSA Shares from AEEI in the event of an act or omission which was not remedied within 60 days.

BT had sent a letter indicating that it wished to exercise its call option due to a breach as defined in the shareholders agreement.

AEEI said yesterday that it had been a shareholder of BTSA since 2008 and had played an important role in BTSA having and maintaining its Icasa licence.

“We have also enjoyed an excellent relationship with BTSA during this time,” AEEI’s directors said in a statement. BTSA had also engaged with AEEI and other members of the Sekunjalo Group on a service level agreement basis.

“AEEI has today accordingly informed BT that it denies that the call option is capable of being exercised. AEEI will make no further media statements on this investment and will deal with BTSA shareholding through its board of directors on BTSA and with its co-shareholder BT,” it said.

BTSA could not be reached for further comment yesterday.

AEEI’s share price increased 3.17 percent to R1.30 on the JSE by late yesterday afternoon, putting the share price gain over 12 months to a strong 64.5 percent.

The group reported stable results through the six months to February 28 underpinned by resilient balance sheet strength, and its revenue, headline earnings and net assets decreased only slightly by 9 percent, despite the tough economic environment and the Covid-19 pandemic that directly overlapped the reporting period,

Strong cash balances resulted in the declaration of an interim dividend of 30 cents a share, well up from 10 cents the prior year.

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**BUSINESS REPORT**