



## **MEDIA RELEASE BY THE MINISTER OF TRADE AND INDUSTRY**

For immediate release

### **TO ALL NEWS EDITORS AND JOURNALISTS**

#### **STATEMENT ON CORPCAPITAL INVESTIGATION REPORT AND SUBSEQUENT JUDGMENT**

In terms of a court order delivered on 24 August 2006 in a matter launched by the Liquidators of the Corpcapital Group of Companies against the Minister of Trade and Industry, the Court held that the Minister is, upon a proper interpretation of the relevant provisions of the Companies Act, 1973, bound to release as 'a mechanical administrative action' and without considering its contents, a report of inspectors appointed by the Minister to investigate certain affairs of a company.

I am advised and believe that this decision is wrong and I have decided to seek leave to note an appeal against the learned Judge's finding in this regard so as to obtain clarity in principle on the proper interpretation of the relevant sections.

Although an appeal against this finding would, so I am advised, suspend the order issued in this regard against the Minister, I have, in having in any event considered the report in the meantime, decided to release the report in accordance with the provisions of the Companies Act, 1973, unless any of the other parties also lodge an application for leave to appeal which will debar me from releasing the report.

I wish, however, to do so, subject to the following reservations, namely -

- (a) that the matters dealt with in Chapters II, IV, V and sections 5, 10, 11 and 12 of Chapter VI fall in my opinion outside the ambit of the Inspectors' mandate; and
- (b) that it would appear that certain expert reports or evidence received from persons appointed by Corpcapital were not made available to Mr. Frangos so as to afford him an opportunity to respond thereto, and that, before releasing the report, I would have preferred to have had the benefit of Mr. Frangos' views on those reports and evidence.

In essence, the finding of the inspectors is that there was no financial irregularity in the manner in which Corpcapital has conducted its business.

I wish to state that I have now fulfilled my obligations in terms of the Companies Act.

Ends

Issued by Corporate Communications unit of **the dti**