



THE CYEST CORPORATION

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Susan Comrie
Investigative Journalist
amaBhungane

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Dear Susan,

I am addressing you in my capacity as the chief executive officer of Cyst Corporation.

During our discussion last week, you informed me that Cyst's credentials / company profile appear on a document that was submitted to Transnet, in response to a tender to relocate locomotives by China North Rail (CNR), facilitated by Business Expansion and Structured Products (BEX). However, you provided me with limited details as to the context in which our credentials appear, or as to what impression they were intended to create by their inclusion.

It came as a surprise and shock to discover that Cyst's credentials have apparently been utilised in connection with this train relocation tender, as Cyst has no interest in, or relationship with, CNR, BEX or the Transnet tender, nor did Cyst participate in, or derive any benefit from, such a tender, or any of the relocation costs.

In fact, I was only alerted to the existence of the tender, and the costings in respect to the relocation of locomotives by CNR, as a consequence of the investigations which you had conducted.

That being the position, I do wish to draw the following facts to your attention, (some of which you are already be aware of), which explains that the use of our credentials in connection with this Transnet tender is fraudulent and occurs without Cyest's knowledge and consent.

During 2015 Cyest was approached by Integrated Capital with a view to sourcing a BEE partner and forming a joint venture company to participate specifically in Government / SOE opportunities. Cyest did not ultimately ever enter into any venture or participate in any Tender process with Integrated Capital or its associated parties. During this period, I did however gladly provide Integrated Capital with Cyest's company profile, which they requested in order to expose us to potential partners and opportunities. I also met with a potential BEE partner. We had even coined a name for the proposed joint venture namely – 'Cyest Utilities'.

We had known and worked with Integrated Capital prior to this time, when we helped them to assess the value of a technology that they were seeking to source an Investor for. (This is when Tony Savides met with and worked with Clive Angel – a *Director in Integrated Capital*).

After some time, I sensed that Integrated Capital were not committed to a joint venture, and were sapping much of our time asking us to contribute ideas on how we would approach hypothetical engagements – for example – “how would you tackle a project to identify non-compliant procurement at Eskom?” I was not aware that a tender of this nature was actually issued by Eskom. Tony Savides assisted me with some of this work.

I accordingly notified Integrated Capital (in writing) on the 6th of May 2015 that, unless there was a commitment to a shareholders agreement, and specifically explicit commitment to our equity allocation in the joint venture to be formed, they were precluded from using the Cyest name. Integrated Capital accepted this position (also in writing), and ultimately no joint venture was ever formed. As far as both parties were concerned, unless a shareholders agreement was concluded, our exploratory discussions about tender opportunities was over.

Behind my back, Clive Angel approached and persuaded Tony Savides to render modelling services to him in connection with a different tender in which a BEX was involved (i.e. not the hypothetical Eskom non-compliant procurement tender that we had previously discussed with Integrated Capital). This was a Transnet tender to relocate locomotives.

Savides informed me that he initially refused Angel due to his own time constraints, but then did ultimately agree to render such services (the full details of which are unknown to me) in his personal capacity, Savides did not inform Cyest.

The first that Cyest or I heard of this was last week when Savides called me informing me that he had indeed helped Angel with building a basic cost model which he said was in support of a tender submission to Transnet.

As you are aware, Savides has, in a written statement, confirmed that the service provided by him was in his personal capacity and that Cyest was totally unaware. Savides did not purport to act on behalf of Cyest in rendering any such service, and neither could he have been understood to be doing so, but instead acted in his personal capacity without our knowledge which he has confirmed to you in writing. Cyest dissociates itself completely from Savides' conduct in rendering these cost modelling services to Angel or BEX.

In addition, I have also been told by Savides that he (personally) was offered remuneration by Angel for his services rendered in his personal capacity, which he declined. Savides further advised that upon declining, Angel told him that Integrated Capital regularly make donations to various charities, and that they would gladly make a donation to a charity of his choice, Tony nominated a charity. This week was the first time that I had heard of this.

Finally, to the extent that Cyests credentials / profile appear in any documents in submitted to Transnet, CNR or BEX, it is unauthorised without Cyests knowledge and a fraud. Cyest will in such circumstances consider the appropriate course of action against the perpetrators once the context in which our credentials appear in any such document is known to us.

I trust that this clarifies the position. I assume that you will provide Cyest with notice of any publication you wish to make concerning Cyest in advance. Moreover, I trust that you will make clear in any such further publication that Cyest was unaware of and had nothing whatsoever to do with the Transnet tender, relocation costs, CNR or BEX.

We are committed to discovering the truth and to assisting you in any way that we can.

Sincerely,

Elton Bondi
CEO Cyest Corporation