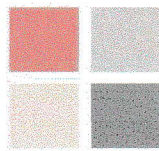




INTEGRATED FORENSIC
ACCOUNTING SERVICES

Amaanat Investment Holdings



A M A A N A T

Established 1968

Factual Finding Progress Report

Share Issue Expenses

February 2022

Strictly Confidential

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1. Background

- 1.1. Our office was appointed, by Board Resolution, on 21 December 2021 to investigate a series of alleged irregularities by the erstwhile CEO and Board member, Mr HAK Omar. Two other individuals were named as persons of interest to this investigation.
- 1.2. The AGM which considered the 2020 annual financial statements took place on 24 November 2021. We are advised that some dissatisfaction was expressed by shareholders relating management issues of the business.
- 1.3. We are informed that a few days later it was learnt that significant payments had been made by AIH to Krestons' Agency bank account. Further enquiries revealed that these payments had been classified and processed as Share Issue Expenses
- 1.4. In the subsequent period several other concerns developed, suggesting further financial misappropriations.
- 1.5. The offices of Amaanat Investment Holdings Limited, Coral International Asset Managers (Pty) Ltd and Kreston KZN are relevant to this matter. All three entities operate from the same address at 131 Jan Hofmeyr Road, Westville, KZN. We understand that Mr HAK Omar is/was the chief executive officer of all the above entities. The other named persons of interest are also considered to be employed in an authoritative capacity for all the entities named above.
- 1.6. From our briefing we understand that Coral International Asset Managers (Pty) Ltd had a contractual relationship with the Amaanat Group, collecting rental income on its behalf for a 5% commission.
- 1.7. Kreston KZN is a professional practice with seven partners, offering auditing, accounting, and related services. They appear to be accredited with IRBA, SAICA and IIA(SA). We believe that they offered substantial financial and related services to the Amaanat group.
- 1.8. Preliminary findings indicate that Mr HAK Omar utilized the Agency Account of Kreston KZN, to receive substantial funds from Amaanat Investment Holdings, which funds were allegedly applied for the personal and unauthorised enrichment of Mr HAK Omar and members of his family.
- 1.9. We understand that improper and unauthorised stated capital withdrawals were effected over a period of several years, amounting to no less than R85 000 000, the proceeds of which were deposited into the Agency account of Kreston KZN.



- 1.10. It is alleged that Mr HAK Omar purchased a range of luxury vehicles, as well as an expensive property in Camps Bay, Western Cape, with these funds, assets which would therefore be classifiable as proceeds of crime.
- 1.11. Following the AGM (November 2021), Mr MS Omar had a meeting with HAK Omar, accompanied by his son, which took place at the home chambers on 27 November 2021. Contemporaneous notes of this meeting are on record and indicate that certain admissions were made by HAK Omar.
- 1.12. Subsequent to this, Mr HAK Omar appointed legal counsel and all perceived admissions were effectively recanted.
- 1.13. We elaborate on this process below.

Annual General Meeting and matters arising therefrom

- 1.14. Shortly after the AGM several revelations surfaced, which had a decisive impact.
- 1.15. Two board members, Mr HAK Omar and his son Mr MH Omar offered their resignation from the board, which was accepted.
- 1.16. A new auditor was provisionally appointed as the five year term of the outgoing auditor had been completed.
- 1.17. Mr MS Omar, legal advisor to the group, was requested to undertake certain reviews and to report to the board.
- 1.18. The suspected abuse was provisionally quantified at an excess of R86 million, representing Share Issue Expenses incurred between 2016 and 2020.
- 1.19. It was established that these funds had essentially been transferred (by HAK Omar, under authority of his position as a Director and effectively full time Chief Executive Officer of Amaanat Investment Holdings) to the Agency account of Kreston, of which he is the senior partner.
- 1.20. It was alleged that funds were further disseminated from that Agency account to persons or entities unknown, but including the purchase of significant personal assets, which also included the purchase of a luxury residential property in the Western Cape.

