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GENERAL NOTICE

NOTICE 1785 OF 2005



APPLICATION FOR THE AMENDMENT OF LICENCE CONDITIONS:

KAYA FM (PTY) LTD ("Kaya FM")

1. The Independent Communications Authority of South Africa ("the Authority") hereby gives notice, in terms of section 52(2)(a) of the Independent Broadcasting Authority Act, Act No 153 of 1993 ("the Act"), that it has received an application from Kaya FM for the amendment of its broadcasting licence in terms of section 52(1)(c) of the Act. Details of the application are as per schedule A.
2. The Council of the Authority granted Kaya FM confidentiality in terms of section 42 (5)(b) with regards to Annexure C and G of this application. Confidentiality was granted on the documentation as per the attached schedule B.
3. This application is available for inspection by any interested parties during the Authority's normal office hours.
4. Interested persons are hereby invited to amend their representations in order to reflect the confidentiality decision or make new written representations on the proposed amendment to the Authority by 11 October 2005.
5. Kaya FM shall be entitled to respond in writing to the written representations made by interested persons on the proposed amendments, and any such written response must be submitted to the Authority within sixty (60) days of the date of publication of this notice in the *Government Gazette*. Kaya FM must, at the time of submitting its written response, furnish proof to the Authority's satisfaction that it has delivered a copy of the response by hand, or has sent a copy of the

response by registered mail or by facsimile, to the relevant persons having made written representations.

6. All written representations, responses and other correspondence regarding the proposed amendment must be directed to Mr. Thabo Ndhlovu, Manager: Licensing at Block D, Pinmill Farm, 164 Katherine Street, Sandton, Johannesburg or Private Bag X10002, Sandton, ~~21~~ 46 or by fax (011) 448 ~~21~~ 86.
7. Persons, who lodge representations in terms hereof, shall at the time of lodgement furnish proof to the satisfaction of the Authority that a copy of the representation has been sent by registered post to P O Box 2869, Parklands 2121 or delivered to Ms Charlene Deacon, 38 Bolton Road, Rosebank, 2121 or by fax (086) 680 5335.

PARIS MASHILE
CHAIRPERSON

SCHEDULE A

1. According to the applicant, the proposed amendment will result in a change to clause 1.3 of Schedule C of its shareholding structure, which is currently as follows:
 - Mokgosi Communications Enterprises CC 5%
 - Thebe Convergent Technologies 45.179%
 - New Africa Media Holdings (Pty) Ltd 24.921%
 - Makana Investments 24.9%
2. Mokgosi Communications Enterprises CC is a special purpose vehicle duly registered as Mokgosi Holdings (Pty) Ltd ("Mokgosi"). Mokgosi was formed to facilitate certain funding structures for its owners.
3. Thebe Convergent Technology Holdings (Pty) Ltd ("TCT") is a 100% owned and controlled vehicle of Thebe Investment Corporation Limited.
4. Makana Investment Cooperation ("MIC") holds its shareholding through two special purpose vehicle, namely Motsamai Media ("Motsamai") and Makana SPV (Pty) and controlled subsidiaries of MIC and were formed in order to facilitate certain funding structures between **MIC** and **New Africa Investments Limited ("NAIL")**.

5. The material terms of the proposed transaction are as follows:
- 5.1 Shanike Investments No 42 (Pty) Ltd (“Shanike”) will be formed as a special purpose vehicle;
 - 5.2 Motsamai will sell its 22.43% shareholding in Kaya to Shanike;
 - 5.3 Makana SPV will sell its 2.47% shareholding in Kayak to Shanike;
 - 5.4 Shanike will therefore hold the 24.9% equity stake in Kayak which is currently held by MIC;
 - 5.5 Tiso Radio will acquire 24.9% of the ordinary shares in Shanike. Tiso Radio is a 100% owned and controlled subsidiary of the Tiso Group (Pty) Ltd (“Tiso”);
 - 5.6 Kagiso Media will acquire 24.9% of the ordinary shares in Shanike;
 - 5.7 MIC will retain 50.2% of the ordinary shares in Shanike.
6. The following funding mechanism will be adopted in order to enable a fair distribution of value from the proposed transaction:
- 7.1 Kagiso Media will procure that Shanike acquires 50% of the issued preference and “B” shares in TCT;
 - 7.2 Shanike will issue “A” shares and “B” shares as follows:
 - 7.2.1 MIC will acquire 33.33% of the “A” shares of Shanike and 50% of the “B” shares;
 - 7.2.2 Tiso Radio will acquire 33.33% of the “A” shares of Shanike and 50% of “B” shares;
 - 7.2.3 Kagiso Media will acquire 33.33% of the “A” shares of Shanike.

SCHEDULE B

Annexure C to the application contains the following documents:

- 1. The shareholders agreement entered into by Shanike Investments (Pty) Ltd (“**Shanike**”), Makana Investment Corporation (“**MIC**”), Kagiso Media Investment Limited (“**Kagiso Media**”) and Tiso Radio (Pty) Ltd (“**Tiso Radio**”);
- 2. The sale of shares agreement between Shanike, MIC, Motsamai Media (Pty) Ltd, Makana SPV (Pty) Ltd, Kagiso Media and Tiso; and
- 3. The addendum to the sale of shares agreement.

Annexure G contains agreements in relation to the Tiso Group:

1. The shareholders agreement entered into by Tiso Group (Pty) Ltd ("**Tiso Group**"), Investment Bank Limited ("**Investec**"), Tiso Investment Holdings (Pty) Ltd ("**Tiso**"), Tiso Foundation Charitable Trust ("**Tiso Foundation**"), Mvume Dandala Family Trust ("**Mvurne**"), Tiso Capital Staff Share Incentive Trust ("**Tiso Staff Share Trust**"), as well as Standard Bank and Rand Merchant Bank;
 2. The sale of shares agreement between Tiso Group, Investec, Tiso, Tiso Foundation, Mvume, Tiso Staff Share Trust, Standard Bank and Rand Merchant Bank; and
 3. The shareholders agreement entered into by Tiso, David Kwame Tandoh Adomakoh, Nkululeko Leonard Sowazi, Fani Titi Family Trust and Standard Bank.
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