

COMAIR LIMITED (IN LIQUIDATION)

REGISTRATION NUMBER: 1967/006783/06

MASTER'S REFERENCE NUMBER: G613/2022

LIQUIDATORS' REPORT IN TERMS OF SECTION 402 OF THE COMPANIES ACT 61 OF 1973 AS READ WITH ITEM 9 SCHEDULE 5 OF THE COMPANIES ACT 71 OF 2008 TO BE SUBMITTED AT THE SECOND MEETING OF CREDITORS, CONTRIBUTORIES AND MEMBERS TO BE HELD BEFORE THE PRESIDING OFFICER, MAGISTRATE'S COURT, KEMPTON PARK ON 25 JUNE 2024 COMMENCING AT 09H00.

INTRODUCTION

Comair Limited (the "Company") is a company duly registered and incorporated in accordance with the Companies Act 61 of 1973 as read with the Companies Act 71 of 2008 under registration number: 1967/006783/06. Prior to the date of liquidation, the Company had its principal place of business at its registered address at Corner Fortress & Whirlwind Road, Rhodesfield, Kempton Park, Gauteng, 1619. The Company's main business was that of a scheduled and non-scheduled airline service within South Africa, Sub-Saharan Africa and the Indian Ocean Islands. The Company operated under its low-fare airline brand, kulula.com, as well as under the British Airways livery, as part of a licence agreement with British Airways PLC.

The Company launched its own catering service in 2012 through a company known as Comair Catering Proprietary Limited, trading under the Food Directions Brand.

In 2009 the Company launched its SLOW Lounges and operated SLOW Lounges at OR Tambo International Airport (Johannesburg) in both the domestic and international terminals, Cape Town International Airport domestic terminal and King Shaka International Airport (Kwa-Zulu Natal) domestic terminal.

The Company operated a training school academy known as the Altitude Training Academy Proprietary Limited which comprised of various distinct faculties, namely (a) Cabin Crew and Ground Handling; (b) Travel, Tourism and Hospitality and (c) Pilot Training.

The Directors of the Company as at date of liquidation was as follows:

RICHARD ALEXANDER FERGUSON (Business Rescue Practitioner)
NEIL HOFMEYER HABLUTZEL (Business Rescue Practitioner)
GLENN WAYNE ORSMOND

Comair Limited was placed under Provisional Liquidation by Order of the High Court of South Africa (Gauteng Local Division, Johannesburg), on 14 June 2022. The Provisional Order was made Final on 25 January 2024.

The Master of the High Court appointed Cloete Murray, Kgashane Christopher Monyela, Ahmed Carim, Tracy Anne Cameron and Buhle Jeffrey Eric Buthelezi as Joint Provisional Liquidators on 23 June 2022 in terms of Certificate of Appointment G613/2022. The Master of the High Court subsequently, after the passing of Mr Cloete Murray, removed Mr Cloete Murray and the remaining Joint Provisional Liquidators continued with the winding down of the Company.

The First Meeting of Creditors was held before the Presiding Officer, Magistrate's Court, Kempton Park, on 28 February 2024 and was subsequently postponed to 12 March 2024.

On 12 March 2024, the First Meeting of Creditors was held before the Presiding Officer, Magistrate's Court, Kempton Park and Neil David Button, Kgashane Christopher Monyela, Ahmed Carim, Tracy Anne Cameron and Buhle Jeffrey Eric Buthelezi were appointed Final Joint Liquidators on 8 April 2024.

The Joint Liquidators are currently investigating the affairs of the Company and following such ongoing investigations, the Joint Liquidators are in a position to report to creditors in accordance with Section 402 of the Companies Act as follows:

SHARE CAPITAL, ASSETS AND LIABILITIES (SECTION 402(a))

1. SHARE CAPITAL

1.1 Authorised share capital

51 000 000 000 Ordinary Shares of no par value.

1.2 Issued share capital

46 933 086 500 Ordinary Shares of no par value.

The known Shareholding of the Company as at the date of liquidation was as follows:

- 1.2.1 K2020704995 (SOUTH AFRICA) PTY LTD
41 770 446 984 Shares
- 1.2.2 K2020763937 (SOUTH AFRICA) PROPRIETARY LIMITED
783 782 545 Shares
- 1.2.3 FIRSTRAND BANK LIMITED
389 544 618 Shares
- 1.2.4 NEDBANK LIMITED
3 519 981 488 Shares
- 1.2.5 PUBLIC
469 330 865 Shares

2. ASSETS

RANDS

2.1 Immovable Assets

7 200 000

2.1.1 Erf 931 Bonaeropark Ext.1, Erf 1096 Bonaeropark Ext.2 and Erf 1092 Bonaeropark Ext.2

7 200 000

2.2 Movable Assets

1 476 078 426

2.2.1 Aircraft - owned

1 202 868 454

ZS-ZWA 737-800

300 000 000

ZS-ZWB 737-800

153 017 000

ZS-ZWC 737-800

180 020 000

ZS-ZWD 737-800

155 753 150

ZS-ZWI 737-800

117 898 750

ZS-ZWJ 737-800

236 562 500

ZS-OAO / OAR / OTG 737-400

52 127 854

ZS-OAP 737-400

1 896 000

ZS-OTH 737-400

5 593 200

2.2.2 Vehicles, Computer Equipment and Furniture

12 758 484

2.2.3 Simulators

86 000 000

2.2.4 Engines, Engine Stands & APU's

37 351 200

2.2.5 Cash and Cash Equivalents

41 350 673

2.2.6 Shares in Subsidiaries

23 377 588

EPT Aviation Training (Pty) Ltd t/a Alt Academy

1 000 000

Global Training College South Africa (Pty) Ltd

1 000 000

Aconcagua 32 Investments (Pty) Ltd

17 427 588

Alooca Properties (Pty) Ltd

3 950 000

2.2.7 Inventories

9 925 620

2.2.8 Book Debts

62 446 407

- Collectable R18 442 394

- Doubtful R44 004 013

TOTAL ASSETS

1 483 278 426

3. LIABILITIES

3.1 Secured Creditors

1 753 870 508

3.1.3	ZS-ZWA Absa Refinance	346 816 093
3.1.4	Wesbank Act 1594 Catering T 12k 19	1 452 922
3.1.5	Wesbank Act 1592 Catering T 13j 20	1 452 922
3.1.6	Wesbank Act 1590 Catering T 11l 18	900 174
3.1.7	Wesbank Act 1591 Catering T 10s 17	900 174
3.1.8	Wesbank Act 1589 Catering T 8b 15	1 489 715
3.1.9	Wesbank Act 1593 Catering T 14h 21	1 452 922
3.1.10	Wesbank Act 1588 Catering T 9a 16	1 489 715
3.1.12	Nedbank PCF	680 003 695
3.1.13	PCF Finance Comair Consortium	393 279 711
3.1.15	Shareholder WC Loan	105 566 999
3.1.16	Investec Hybrid RCF	119 876 722
3.1.17	Investec Hybrid Term Facility	99 188 746

3.2 Preferent Creditors

550 798 957

3.2.1	Employees	77 678 355
3.2.2	SARS	-
3.2.3	Business Rescue Post Commencement Creditors	473 120 602

3.3 Concurrent Creditors

1 602 829 221

3.3.1	Employees (Includes Business Rescue Claims and Preferent Claims in terms of the Insolvency Act)	141 086 828
3.3.2	Suppliers	1 444 280 575
3.3.3	Aconcagua 32 Investments (Pty) Ltd	12 514 366
3.3.4	Ticket Holders	4 947 452

TOTAL LIABILITIES

3 907 498 686

TOTAL DEFICIT

-2 424 220 260

It appears that the deficiency excluding the Costs of Administration amounts to R2 424 220 260.

4. CAUSES OF FAILURE OF THE COMPANY (SECTION 402 (b))

The effects of the CoVid epidemic, the grounding of the Fleet by SACAA and the resulting detrimental effect on cash flow were the factors that lead to the failure of the Company.

5. CONTRAVENTIONS (SECTION 402(c))

The Joint Liquidators are still in the process of investigating the affairs of the Company. The Joint Liquidators will issue a further report in due course, if necessary.

6. LIABILITY OF DIRECTOR OR OFFICER (SECTION 402 (d))

The Joint Liquidators are still investigating whether the Directors of the Company were liable for the debts of the Company and a report will be submitted to the Presiding Officer of the Kempton Park Magistrate's Court in due course, if necessary.

7. LEGAL PROCEEDINGS PENDING (SECTION 402 (e))

The following legal matters were / are being attended to after the date of liquidation:

7.1 Christodoulou & Mavrikis Inc – Pindarex Agreement: (EPT Aviation Training (Pty) Ltd t/a Alt Academy equity, Global Training College South Africa (Pty) Ltd equity, Aconcagua 32 Investments (Pty) Ltd equity, Alooca Properties (Pty) Ltd)) and Sale Agreement for 737-400 aircraft.

7.2 Clyde and Co – Star Air Cargo.

7.3 Cox Yeats Attorneys – Section 417/S418 Enquiry in terms of the Insolvency Act, Discovery Vitality (Pty) Ltd, British Airways PLC, Holiday Travel (Pty) Ltd, SAA Technical (Soc) Ltd.

7.4 Werksmans – Air Services Licensing Council (ASLC) and Boeing Company.

8. FURTHER ENQUIRY (SECTION 402 (f))

The Joint Liquidators are still investigating the affairs of the Company and will conduct a formal enquiry if deemed necessary. A further report will be forwarded to creditors should it be deemed necessary.

9. FINANCIAL BOOKS AND RECORDS (SECTION 402 (g))

Certain books and records have been handed to the Liquidators.

10. BUSINESS FOR AND ON BEHALF OF THE COMPANY

The Joint Liquidators charged out the use of the Simulators for and on behalf of the Company Post Liquidation.

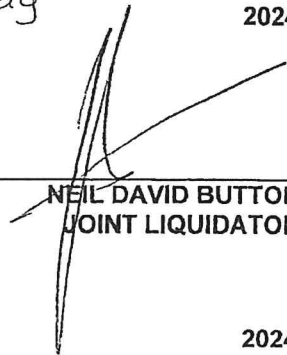
11. PROGRESS AND PROSPECTS OF WINDING UP (SECTION 402 (h))

The Joint Liquidators will draft the First Liquidation and Distribution Account once all the assets have been realised and all claims have been proved.

12. MISCELLANEOUS (SECTION 402 (i))

The Joint Liquidators request the creditors to accept the Joint Liquidators' Report and adopt the Resolutions, which will be tabled at the General Meeting of Creditors, Members and Contributories.

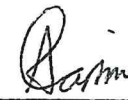
SIGNED AT PIETERMARITZBURG ON THIS 10th DAY OF May 2024


NEIL DAVID BUTTON
JOINT LIQUIDATOR

SIGNED AT PRETORIA ON THIS 10 DAY OF May 2024


KGASHANE CHRISTOPHER MONYELA
JOINT LIQUIDATOR

SIGNED AT PRETORIA ON THIS 10th DAY OF MAY 2024


AHMED CARIM
JOINT LIQUIDATOR

SIGNED AT PIETERMARITZBURG ON THIS 10th DAY OF May 2024


TRACY ANNE CAMERON
JOINT LIQUIDATOR

SIGNED AT JOHANNESBURG ON THIS 10th DAY OF May 2024


BUHLE JEFFREY ERIC BUTHELEZI
JOINT LIQUIDATOR