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Registration number: 1991/005477/30
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31 August 2025

SAPO Joint Business

Rescue Practitioners

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Delivered by Email To:

- All known Affected Persons of the South African Post Office SOC Ltd (in business rescue) (including: all known creditors, employees, trade unions and shareholders)
- Companies and Intellectual Property Commission

Published:

- On the website maintained by the Company and accessible to Affected Persons

To All Affected Persons,

**SOUTH AFRICAN POST OFFICE SOC LIMITED (IN BUSINESS RESCUE) WITH
REGISTRATION NUMBER 1991/005477/30 – BUSINESS RESCUE STATUS
REPORT IN TERMS OF SECTIONS 132 OF THE COMPANIES ACT, 71 OF 2008
READ WITH REGULATION 125 OF THE COMPANIES ACT**

1. Introduction

1.1 In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended (“**Act**”), when business rescue proceedings of a company have not concluded within 3 months of the date on which they started, a business rescue practitioner is required to –

- 1.1.1 prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and

- 1.1.2 deliver the report and each update to each affected person and to the CIPC.
- 1.2 This requirement is applicable to South African Post Office SOC Limited (in business rescue) ("**Company or Post Office**").
- 1.3 Accordingly, the joint business rescue practitioners ("**BRPs**") hereby provides the status report of the Company's business rescue proceedings.
- 1.4 Since Commencement of the business rescue proceedings, we record the historical sequence of events in **Annexure A** attached below.
- 1.5 We do not intend to repeat the points dealt with in previous status reports and wish to provide you with an update only on noteworthy matters. Therefore, we provide a link below to all prior status reports on the SAPO website for your convenience: <https://www.postoffice.co.za/BusinessRescue/index.html>

2. Business Rescue Plan and Implementation

- 2.1 The section 189A retrenchment process has been finalized on 29 November 2024. The employee retrenchment packages were to be paid over three (3) tranches. The final tranche was paid at the end of November 2024. The BRPs continue to engage proactively with the Employee Committee.
- 2.2 SA Post Office filed a new Temporary Employer Relief Scheme (TERS) application with the Department of Labour which was submitted on the 20th of November 2024. The TERS application was approved in April 2025 wherein an amount of R381 297 863.83 was recommended for SA Post Office. The TERS funding is received on the month by month bases with the first tranche received on 22 August 2025.
- 2.3 The SA Post Office delegation is working together with the Department of Labour to have the recommended fund appropriated to the account of SA Post Office and these engagements are ongoing.

- 2.4 Given the fact that no funding was allocated to the SA Post Office per the Medium-Term budget speech, austerity measures have been put in place by the BRPs:
- 2.4.1 A freeze has been implemented on all capital expenditure such as leasehold improvements and maintenance; building infrastructure upgrades; and IT upgrades. Only critical operational expenses are being incurred.
 - 2.4.2 The BRPs are continuing to engage with DCDT in relation to other possible alternatives in the interim. In this regard we are engaging with DCDT on the constituted Joint SAPO, DCDT and National Treasury Strategic Partners/Investment Task Team. The Joint Task Team is yet to convene.
 - 2.4.3 The BRPs were informed at a meeting on 21 February 2025 of a possible virement of funds of R150 million from the DCDT for working capital requirements. National Treasury has since approved the virement and the funds were received in March 2025. Although this may provide temporary relief for SAPO until the end of April 2025, the funds are not sufficient to substantially implement the Business Rescue Plan and remove the entity from Business Rescue. The amount of R3.8 billion is still required to pay the remaining dividends, provide enough working capital to the business, and to invest in certain infrastructure upgrade in order to sufficiently implement its turnaround strategy.
 - 2.4.4 In light of the uncertainty of the R3.8 billion in funding, the BRPs are aggressively focusing on collecting all outstanding debtors and increasing revenues where possible.
 - 2.4.5 An extensive amount of work has gone into preparing a detailed strategy and financial model and which are considered by the BRP's to be important supporting documents to the business rescue plan. The detailed strategy and financial model set out the turnaround plan and deals with the "future proofing" component of the business rescue plan.

These documents were presented to the DCDT, National Treasury and the Parliamentary Portfolio Committee on Communications and Digital Technologies. The BRPs have implemented the BR Plan to the extent possible despite the funding constraints. The business rescue plan can only be fully implemented once we receive the funding or part of the funding that was committed by the Government.

- 2.4.6 The BRPs consulted with their legal advisors regarding the company's exit from business rescue and the subsequent return of the company to its shareholder, the Department of Communications and Digital Technologies (DCDT), along with a new board appointed by the Shareholder.
- 2.4.7 During the month of June and July 2025, the BRPs shared the draft business rescue exit application with the DCDT and the three statutory and payroll top-up creditors for consideration. The BRPs continue to engage with the DCDT and the three top-up creditors in support of the draft application. These engagements remain ongoing.
- 2.4.8 Furthermore, the BRPs continue to report to the Monitoring Task Team which comprises of the DCDT and National Treasury, to keep the both institutions apprised with developments, if any as it relates to the implementation of the BR Plan and report to various Parliamentary Committees.

3. Creditor Claims and Payments

- 3.1 A total of 99,6% of creditor dividends of 12 cents amounting to R1.015 million have been paid on 31 August 2024. The remaining 0,4% of creditors is a combination of disputed claims and unverified landlord queries.
- 3.2 The top-up dividend of 18 cents in the Rand remains outstanding and payment is conditional upon the receipt of the R3.8 billion funding from the National Treasury unless new conditions are negotiated with these creditors.

4. Pending Litigation

- 4.1 Express Parcels Association instituted legal action against the SA Post Office and the regulator, ICASA, to declare that couriers are entitled to courier the reserved items less than 1kg, which the SA Post Office currently has the exclusive license on. Alternatively, any preclusion on the couriers doing so is unconstitutional. That dispute is at the heart of this case and has triggered several interrelated applications.
- 4.2 The SA Post Office believes that the regulator should impose fines, and ring-fenced monies derived from such funds for the use of SA Post. The BRPs have filed their answering affidavit on the matter on or about 11 November 2024. The matter is still ongoing.
- 4.3 Sapo served its replying affidavit on the opposing parties on 6 August 2025.
- 4.4 The parties to the application are now preparing heads of arguments in respect of their applications and counter applications, the heads of arguments were to be filed by end of September 2025, however we were informed that SAEPA will not be able to file by end of September due to unforeseen circumstances and proposed 7 November 2025 for filing initial heads and 5 December 2025 for filing additional heads of arguments. There was no opposition to this request.

5. Regulatory and Compliance

We submitted our application for renewal of the exclusive license to deliver sub-1kg parcels on 30 March 2025. We are awaiting feedback from ICASA on the outcome of the application.

6. Closing Remarks

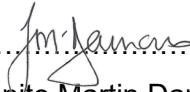
We appreciate your assistance and co-operation during the business rescue proceedings. The BRPs still believe that the Company can be rescued, within the meaning of section 128(1)(h) of the Companies Act, in a manner that will balance the rights and interests of all Affected Persons - this assessment is based on the assumption that the funding (as committed by government) will be received. In addition, we await further outcomes and decisions that may arise from the Joint

SAPO and DCDT Strategic Partners/Investment Task Team.

- 6.1 SAPO was not mentioned in the budget speech of the Minister of Finance presented on 12 March 2025 for any commitments or indication of funding for the entity.
- 6.2 The BRPs will continue to evaluate their position and the possibility of the company exiting business rescue and handing the company back to its shareholder and a new appointed board.



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Anoosh Rooplal
Business Rescue Practitioner



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Juanito Martin Damons
Business Rescue Practitioner

Annexure A – Events Timeline

Court Order granted for the commencement of Business Rescue proceedings on	10 July 2023
Confirmation from the CIPC to commence BR Proceedings on	12 July 2023
CIPC confirmed BRP appointment on	14 July 2023
First meeting of creditors held on	24 July 2023
First Status Report issued on	27 October 2023
Business Rescue Plan published on	23 November 2023
Second Status Report issued on	4 December 2023
Section 151 meeting held on	7 December 2023
Business Rescue Plan adopted on	7 December 2023
Section 189A(3) Labour Relations Act process commenced on	2 January 2024
First Consultation ito S189A(3) of the LRA	26 January 2024
Second Consultation ito S189A(3) of the LRA	19 February 2024
Third Consultation ito S189A(3) of the LRA	6 March 2024
Fourth Consultation ito S189A(3) of the LRA	7 March 2024
Conclusion of branch analysis	31 January 2024
Branch closure process to commence	30 June 2024
Payment to creditors per the approved BR Plan	April 2024 – July 2024

Retrenchment process finalised	March 2024
Service of notice period for retrenched employees ends	April 2024
Creation of Strategic Partners/Investment Task Team	14 November 2024
TERS application submitted	20 November 2024
TERS application successful	April 2025
Payment of the final tranche of retrenchment packages	29 November 2024
Setting aside of the provisional liquidation order	20 November 2024