



SOUTH AFRICAN AIRWAYS

South African Airways
Airways Park, Jones Road
OR Tambo International Airport
Johannesburg, South Africa

Private Bag X13
OR Tambo International Airport
1627

South African Airways (SOC) Limited (in business rescue)

Registration number 1997/022444/30

(“SAA”, “The Company”)

June 2020

Report to the Companies and Intellectual Property Commission

and to all Affected Persons

In terms of section 132(3)(a) of the Companies Act 71 of 2008 (“Act”)

Prepared by:

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Joint Business Rescue Practitioners (“BRPs”)

Directors

TN Mgoduso (Interim Executive Chairperson), ZM Ramasia (Acting Chief Executive Officer), DJ Fredericks (Interim Chief Financial Officer), AH Moosa* (Independent Lead Director), AI Bassa*, ML Kingston*¹, HP Maluleka*, G Rothschild*, MP Tshisevhe*

*Non-Executive Director

¹ British Citizen

Company Secretary – RN Kibuuka

South African Airways SOC Ltd

Reg. No. 1997/022444/30

A STAR ALLIANCE MEMBER 

1. Introduction

1.1. In terms of section 132(3) of the Companies Act 71 of 2008 (“Act”), if a company’s business rescue proceedings have not ended within three (3) months after the start of those proceedings, or such longer time as the court, on application by the practitioner, may allow, the practitioner must –

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

1.1.2. deliver the report and each update in the prescribed manner to each affected person, and to the:

1.1.2.1. Court, if the proceedings have been the subject of a court order; or

1.1.2.2. Commission, in any other case.

1.2. Therefore, as required, this **Fourth Update Report** is being tabled in terms of section 132(3)(a).

2. Since the Third Update Report of May 2020

2.1. Business Rescue Plan

2.1.1. A Business Rescue Plan was published on 16 June 2020 following consultations with various affected persons in line with the provisions of section 150 of the Act.

2.1.2. The proposals in the published Business Rescue Plan reflect the outcome of the engagements with various affected parties.

2.1.3. A section 151 meeting for the consideration and adoption of the Business Rescue Plan took place on 25 June 2020.

2.1.4. Subsequent to the tabling of the Business Rescue Plan by the practitioners, and representations and submissions made on behalf of some affected persons a motion to adjourn the meeting was tabled as follows:

2.1.4.1. That the meeting be adjourned to 14 July 2020;

2.1.4.2. The adjournment is requested in order to allow for further consultations on the Business Rescue Plan and for further amendments to be proposed.

2.1.5. The motion was voted for by all affected persons present at the meeting as follow:

2.1.5.1. 69% voted in favour of the adjournment of the meeting; and

2.1.5.2. 31% voted against the adjournment of the meeting.

2.1.6. The meeting was thus adjourned to 14 July 2020.

2.2. Litigation

2.2.1. on 30 June 2020, the Labour Appeal Court heard the appeal by the Company on the matter relating to an earlier judgment by the Labour Court wherein it was found that the business rescue practitioners' conduct in issuing a notice in terms of section 189 (3) of the Labour Relations Act prior to publishing a business rescue plan was procedurally unfair. Judgment was reserved.

2.3. Impact of COVID-19

2.3.1.1. Other than the repatriation and cargo charters, no commercial operations took place during the month of June 2020.

3. Proof of Claims

3.1. Many claims have been lodged with the BRPs for proof but there still remains a large number of claims outstanding and creditors who have yet to submit their claims are encouraged to do so before the publication of the plan.

3.2. Claims can be submitted via the online form, which can be found on www.matusonassociates.co.za/saa. A claim form has been provided ([Manual Claim Form](#)) for those unable to complete the online form.

3.3. A mechanism for the resolution of disputed claims will be included in the plan, unless any dispute can be resolved between the BRPs and the creditor.