



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”)

November 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), DJ Fredericks (Interim Chief Financial Officer, MP Tshisevhe*

*Non-Executive Director

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 **Ninth Update Report** is being tabled in terms of section 132(3)(a).

2. Since the Eighth Update Report of October 2020

2.1. Business Rescue Plan

2.1.1. Following the appropriation on 28 October 2020 by the Minister of Finance of R10.5bn in funding numerous discussions took place between potential funders as well as with the Department of Public Enterprises (“DPE”) around the raising of bridge funding.

2.1.2. The DPE was able to source funding from the National Treasury that was deemed to be sufficient to begin the restructuring of the Company and provide a bridge until the remaining funds are able to flow to the Company by the end of January 2021.

2.1.3. The 1st tranche of the bridge funding was received on Monday 30 November 2020 and numerous discussions took place and are ongoing to finalise the utilization of the funds.

2.1.4. Following the notice to affected parties issued on 29 September 2020, operations of SAA have remained suspended due to the lack of funding.

2.1.5. The section 189A of the Labour Relations Act (“LRA”) process has been concluded and the process of filing the vacancies in the new structures have begun.

- 2.1.6. As articulated in the Eighth Update Report a deadlock on negotiations with the South African Airways Pilots Association resulted in the lodging of a dispute with the CCMA on 31 October 2020. The issues remain unresolved as at 30 November 2020.
- 2.1.7. In respect of the aircraft leases, Early Termination Agreements have been signed in respect of all 40 leased aircraft.

2.2. Operations

- 2.2.1.1. No commercial operations have taken since the suspension of operations at the end of September 2020.

3. Proof of Claims

- 3.1. Many claims have been lodged with the BRPs for proof but there remain a large number of claims outstanding and creditors who have yet to submit their claims are encouraged to do so before 31 January 2021.
- 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.