



**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

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

**Registration number 1997/022444/30**

**(“SAA”, “The Company”)**

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**August 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:

**Leslie Matuson and Siviwe Dongwana  
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 **Sixth Update Report** is being tabled in terms of section 132(3)(a).

## 2. Since the Fifth Update Report of July 2020

### 2.1. Business Rescue Plan

2.1.1. Following the Plan becoming unconditional on or before 27 July 2020, numerous work streams have begun in order to begin the restructuring of the Company.

2.1.2. The reduction of the Company’s headcount

2.1.2.1. A section 189(3) notice was issued to all employees on 18 July 2020 in terms of the Labour Relations Act. This contemplated the displacement of all Company employees and also provided the employees wishing to do so an opportunity to apply for a voluntary severance package.

2.1.2.2. The 1<sup>st</sup> meeting facilitated by the CCMA in terms of section 189A took place on 11 August 2020 with further meetings taking place on 26 and 31 August 2020.

2.1.3. Termination of aircraft leases

2.1.3.1. In order to ensure that the Company does not have overly burdensome contracts that are not suitable for the Company during the implementation of the Plan or thereafter, the termination of all aircraft leases was initiated.

2.1.3.2. Significant progress has been made in this regard and various aircraft have been successfully repatriated to the destination of the Lessor’s choice.

#### **2.1.4. Procurement of the required funding in terms of the Plan**

**2.1.4.1.** In terms of the Plan there is short, medium and long term funding that is required in order to implement the Plan.

**2.1.4.2.** The BRPs have been in engagements with Government regarding the procuring of this funding. However, the short term funding required by the Company has not yet been made available to the Company and the BRPs have been engaging tirelessly with Government to ensure that this funding is made available to the Company timeously

#### **2.2. Impact of COVID-19**

**2.2.1.1.** Other than the repatriation and cargo charters, no commercial operations took place during the month of August 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](http://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.