



## MANGO AIRLINES SOC LIMITED (in business rescue)

Registration Number 2006/018129/30

("Mango" or "the Company")

---

31 August 2022

### Status Report in terms of section 132(3) of the Companies Act 71 of 2008, as amended, ("Companies Act"), read with Regulation 125

---

#### 1. INTRODUCTION

In terms of section 132(3) of the Companies Act, a company whose business rescue proceedings ("BR Proceedings") have not ended within three months after the start of those proceedings, or such longer time as the court, on application by the business rescue practitioner ("BRP"), may allow, the BRP must:

- (a) prepare a report on the progress of the BR Proceedings, and update it at the end of each subsequent month until the end of those proceedings; and
- (b) deliver the report and each update in the prescribed manner to each affected person, and to the court, if the proceedings have been the subject of a court order or the Companies and Intellectual Property Commission ("CIPC"), in any other case.

The BRP accordingly submits the tenth status update report.

#### 2. SALIENT DATES

The following table sets out certain key events that took place during the BR Proceedings of the Company:

Events	Date
Board resolution commencing the BR Proceedings filed with the CIPC	16 April 2021
Commencement of the BR Proceedings	28 July 2021
Appointment of the BRP	3 August 2021
First meeting of the creditors of the Company	18 August 2021
Extension of time to publish the business rescue plan ("BR Plan")	29 October 2021
Meeting to consider the BR Plan	15 November 2021
Publication of the amended BR Plan	25 November 2021
Meeting to consider the amended BR Plan	2 December 2021



### **3. INVESTOR PROCESS**

The investor process has progressed substantially, and the preferred bidder has provided the necessary confirmation of funds. In addition, the BRP has engaged extensively with the preferred bidder to ascertain, among other things:

- a) Working capital requirements and availability of funds to resume operations;
- b) Adequate skills to operate an airline;
- c) Plans for securing aircraft; and
- d) Route network and expansion plan.

As previously indicated, the disposal of shares by South African Airways SOC Limited ("SAA"), requires SAA to notify and seek approval of the transaction in terms of the Public Finance Management Act No 1 of 1999. In accordance with the BR Plan, the BRP will compile an application and submit to relevant parties for consideration and/or approvals. The BRP will further engage with both the Department of Public Enterprises ("DPE") and SAA to agree next steps and any announcements to be made in due course.

In addition, there are other regulatory approvals that will be required, including:

- a) Approval of change of ownership by the Air Services Licensing Council ("Council"), in accordance with the requirements of the Air Services Licensing Act 115 of 1990 (as amended); and
- b) Notification, to the extent necessary, of the transaction to the Competition Commission.

To expedite the approval processes, the BRP and the preferred bidder will immediately start engaging with the Council and submit the required documentation as soon as possible. This will also facilitate the lifting of the suspension of Mango's domestic licenses.

### **4. CUSTOMER UPDATE**

Mango customers with un-flown tickets or those who may be in possession of vouchers will receive vouchers equivalent to the value of their tickets, which vouchers can be utilised to purchase tickets once Mango has resumed flight operations as detailed in the business rescue plan. In the event that the investor process is unsuccessful, the wind-down process will be implemented and customers will be treated as concurrent creditors and receive the business rescue dividend as calculated at the time of the wind-down.



## **5. WIND-DOWN PROCESS**

In the unlikely event that the transaction contemplated in section 3 above fails for whatever reason, the BRP will implement the wind-down process that is already incorporated in the adopted BR Plan.

## **6. PROOF OF CLAIMS**

The deadline for submission of claims was 3 March 2022, after which no new claims will be entertained. The BRP continues to evaluate the claims and has disputed some claims as he is entitled to do so.

## **7. CONCLUSION**

The BRP remains of the opinion that there is a reasonable prospect of rescuing the Company, or that the BR Proceedings would result in a better outcome for creditors and the shareholder of the Company than would otherwise be achieved should the Company be placed in liquidation.

**Sipho Sono**

**Business Rescue Practitioner, Mango Airlines SOC Limited**