



## MANGO AIRLINES SOC LIMITED (in business rescue)

Registration Number 2006/018129/30

("Mango" or "the Company")

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30 September 2022

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

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#### 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 eleventh 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**

- a) As indicated in the previous status report and in terms of paragraph 6.3.12.1 of the business rescue plan ("BR Plan"), the BRP has on behalf of South African Airways SOC Limited ("SAA") prepared an application in terms of the Public Finance Management Act No 1 of 1999 ("PFMA") as SAA requires approval of the transaction which will see SAA dispose of its shares in Mango. The BRP submitted the application to SAA on 21 September 2022 for SAA to consider within a 7-day window or by 30 September 2022, following which the BRP will submit the final application on behalf of SAA to the Minister of the Department of Public Enterprises ("the Minister") in the week of 3 October 2022 (having taken into consideration any input from SAA), for the Minister to consider and approve within 30 days, as provided for in the BR Plan.

Contrary to the process outlined above, on 30 September 2022, SAA decided to submit the PFMA application directly to the DPE along with correspondence highlighting some areas of concern. The issues highlighted by SAA in the letter to the Minister are more of a housekeeping nature and are therefore not material. They will be addressed directly with the DPE.

- b) The BRP and the investor have had productive meetings with both the domestic and international Air Services Licensing Councils ("the Councils") on the matter of the impending change of ownership where they presented an update on the business rescue and the plans of the investor.
- c) Notification of the transaction to the Competition Commission will be undertaken to the extent necessary.

### **4. EMPLOYEES**

The contracts of the staff retained for critical care and maintenance have been extended for a further 2 months to 30 November 2022 to allow for the conclusion of the investor process, mainly the PFMA approval and other regulatory approvals.

### **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**