



MANGO AIRLINES SOC LIMITED (in business rescue)

Registration Number 2006/018129/30

("Mango" or "the Company")

31 October 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 twelfth 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

As indicated in the previous status report dated 30 September 2022, South African Airways SOC Limited ("SAA") submitted an application in terms of the Public Finance Management Act No 1 of 1999 ("PFMA") directly to the Minister of the Department of Public Enterprises ("the Minister") along with correspondence highlighting some areas of concern. The BRP responded to the concerns raised by SAA in correspondence that was addressed directly to the Minister on 5 October 2022, so that the Minister could consider the PFMA application with the proper information and context in mind.

On 26 October 2022, the Minister addressed a letter to SAA (copying the BRP) requiring the Board of SAA and BRP to resolve the concerns raised by SAA. SAA is thereafter required to provide a written motivation to the Minister on why the application should be approved. The Minister has also requested that the 30 days stipulated in section 54(3) of the PFMA, being the time afforded to the Minister to consider and approve the PFMA application, only commence once SAA's concerns have been resolved with the BRP.

The BRP has since held a meeting with the Board of SAA and is engaging with SAA as directed by the Minister. The BRP anticipates that SAA's concerns will be resolved expeditiously and that an updated PFMA application and written motivation will be submitted to the Minister during November 2022.

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. The contracts will likely have to be extended for an additional month or 2 as a result of the delays highlighted above.

5. WIND-DOWN PROCESS

In the unlikely event that the transaction or Investor Process 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