



MANGO AIRLINES SOC LIMITED (in business rescue)

Registration Number 2006/018129/30

(“Mango” or “the Company”)

31 December 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 fourteenth 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

Further to South African Airways SOC Limited's ("SAA") submission of the application for approval of the disposal of SAA's shares in Mango ("Application") by the Minister of Public Enterprises ("Minister"), in accordance with section 54(3)(c) of the Public Finance Management Act No 1 of 1999 ("PFMA") on 28 November 2022, the BRP regrets to inform affected parties that despite the positive update provided in the previous report, the Minister is yet to make a decision on the Application.

Although the PFMA allows for a deemed approval in the event of a lack of response within 30 days from the date of submission of the Application, the SAA significance and materiality framework, concluded with the Department of Public Enterprises ("DPE") provides for SAA and the DPE to extend the 30 days by agreement. We understand that the Minister wrote to SAA on or about 20 December 2022, expressing a view that he was not completely satisfied with the responses to the queries that were raised by SAA. We further understand that SAA was also meant to receive a letter from National Treasury, communicating National Treasury's view that the Application will have to be resubmitted directly to National Treasury and until that happens, National Treasury does not believe that the submission of the Application to DPE is complete.

The BRP has not been provided with copies of the letters from the DPE and National Treasury referenced above. However, following a SAA board meeting which took place on Tuesday, 10 January 2023, the BRP was provided with a letter from SAA dated 11 January 2023 summarizing the DPE and National Treasury's concerns. The BRP is considering the SAA letter to determine whether the issues raised are capable of resolution and feedback in respect hereof will be provided to affected parties in due course.

4. WIND-DOWN PROCESS

Given the sudden turn of events, there is now the possibility that the transaction or Investor Process contemplated in section 3 above may have to be abandoned and for the BRP to implement the wind-down process that is already incorporated in the adopted BR Plan.

5. 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.

6. 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