



MANGO AIRLINES SOC LIMITED (in business rescue)

Registration Number 2006/018129/30

(“Mango” or “the Company”)

31 January 2024

**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 twenty seventh 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 BRP is pleased to announce that he is now entitled to assume that the section 54(2) application has been approved by operation of section 54(3) of the Public Finance Management Act 1 of 1999 (“**PFMA**”) (see details below). Accordingly, the BRP will now proceed with the Investor Process, the effect of which will be the outright sale of Mango to the successful bidder identified by the BRP in August 2022.

4. LITIGATION SUMMARY

The section 54(2) application:

As previously reported, on 6 September 2023 the High Court delivered its judgment and declared *inter alia* that:

- (a) the Minister of Public Enterprises’ failure to take a decision in respect of the application submitted by the BRP and SAA in terms of section 54(2) of the PFMA is unlawful and constitutionally invalid;
- (b) the Minister's failure to determine the section 54(2) application is reviewed and set aside; and
- (c) the Minister is directed within 30 days after the service of the Court order, to take a decision in respect of the section 54(2) application and communicate the outcome thereof to the BRP and SAA, including furnishing such reasons for the decision made, failing which the BRP and SAA may assume that the section 54(2) application has been approved by operation of section 54(3) of the PFMA.

On 28 September 2023, the Minister of Public Enterprises (“**PE Minister**”) and the Minister of Finance filed notices of application for leave to appeal against the whole judgment and orders granted on 6 September 2023 (“**the principal judgment**”), which applications were heard on 28 November 2023. Judgment on the leave to appeal applications was delivered on 13 December 2023, in terms of which the applications were dismissed with costs. On 12 January 2024, the Minister of Finance filed a notice of application for a special leave to appeal (“**the petition**”) the principal judgment at the Supreme Court of Appeal (“**SCA**”). This application was later withdrawn on 18 January 2024. On the same day, the PE Minister belatedly delivered his petition to the SCA together with an application for condonation of the late filing of the petition.

Following the dismissal of the application for leave to appeal by the High Court, the PE Minister was left with two options. On the one hand, the PE Minister was entitled to file a petition to the SCA within 1 month from 13 December 2023, which would have automatically suspended the operation and execution of the principal judgment. Alternatively, the PE Minister was required to act as directed in the principal judgment.



As indicated above, the PE Minister failed to deliver his petition to the SCA within the prescribed time period. The BRP sought legal advice and was informed that where a petition has been belatedly filed the principal judgment's order continues to remain operational as a condonation application does not suspend the operation and execution of any order. This then means that the principal judgment is not suspended and remains executable notwithstanding the existence of the belated petition.

Furthermore, the PE Minister also failed to take a decision as directed in the principal judgment.

On 31 January 2024, the BRP addressed a letter to the PE Minister recording what is set out above and informing the PE Minister that the BRP has assumed, as he is entitled to, that the section 54(2) application has been approved by operation of section 54(3) of the PFMA.

5. WIND-DOWN PROCESS

In the 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

Transmitted Electronically