



MANGO AIRLINES SOC LIMITED (in business rescue)

Registration Number 2006/018129/30

(“Mango” or “the Company”)

30 June 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 eighth 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. MEETING OF CREDITORS

Following on from the Creditors' Committee meeting held on 27 May 2022, the BRP has convened a meeting of creditors and other holders of a voting interest on 7 July 2022 as set out in the notice and memorandum sent to creditors on 29 June 2022 for purposes of discussing and conducting a vote, amongst other things, on:

- whether to accept South African Airways SOC Limited's reduction of the R819 million funding that was allocated to Mango in terms of the Special Appropriation Act 11 of 2021, by an amount of R85 million ("the **reduction**" or "**withholding**"); or
- to reject the reduction and, consequently, for the BRP to take the necessary steps to recover the withholding, including litigating for the said recovery; and
- an amendment to the business rescue plan.

4. INVESTOR PROCESS

In terms of the offers received from the preferred and reserve bidders, their offers will be funded by their offshore partners. Although letters of funding support were provided to support the offers submitted by these bidders, the bidders have not been able to provide confirmations directly from their funding partners' bankers. The BRP has granted these bidders extension of time to attend to the funding arrangements. If there is no progress by the end of July 2022 in this regard, the BRP may have to terminate the discussions with the bidders and proceed to distribute dividends in August 2022.

Plans are underway to dispose of the spare engine and to this extent, a formal Request for Proposals has been drafted and will be issued and circulated to interested bidders that may be interested in purchasing the engine during July 2022. As previously indicated, this is the only asset of value and therefore the implementation of the wind-down plan will be concluded in a very short space time after the sale of the engine.

5. UPDATE ON EMPLOYEE MATTERS

All Mango employees have been retrenched. A few employees have been retained on short-term contracts for critical care and maintenance activities required while the Investor Process is ongoing.

6. PROOF OF CLAIMS

As indicated in the previous status reports, 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