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Blue Skyview Company Limited

藍色天景有限公司

(incorporated with limited liability under the laws of the British Virgin Islands)

US\$683,000,000 7.125 Per Cent. Senior Perpetual Securities

(the “Perpetual Securities”)

(Stock Code: 5364)

**DISTRIBUTION DEFERRAL AND CUMULATIVE DEFERRAL
QUARTERLY UPDATE ON RECENT DEVELOPMENT OF SUSPENSION
AND
CONTINUED SUSPENSION OF TRADING**

This is a voluntary announcement made by Blue Skyview Company Limited (the “**Company**”). Capitalised terms not otherwise defined in this announcement shall have the same meaning given to them in the terms and conditions (the “**Terms and Conditions**”) of the Perpetual Securities.

DISTRIBUTION DEFERRAL AND CUMULATIVE DEFERRAL

Reference is made to the announcements of the Company made on (i) 26 July 2020 in respect of the deferral of the Distribution due on 26 July 2020 (the “**July 2020 Distribution**”); (ii) 25 January 2021 in respect of the deferral of the Distribution due on 26 January 2021 (the “**January 2021 Distribution**”); (iii) 6 July 2021 in respect of deferral of the Distribution due on 26 July 2021 (the “**July 2021 Distribution**”); and (iv) 10 January 2022 in respect of the Distribution due on 26 January 2022 (the “**January 2022 Distribution**”).

On 12 July 2022, the Company gave notice to the Holders and the Fiscal Agent in respect of its election to:

- (i) defer the Distribution which is scheduled to be paid on the Distribution Payment Date falling on 26 July 2021, pursuant to Condition 5(d)(i) of the Terms and Conditions;
- (ii) further defer the July 2020 Distribution, which constitutes Arrears of Distribution pursuant to Condition 5(d)(iv) of the Terms and Conditions, that was deferred pursuant to the notice to the Holders and the Fiscal Agent on 7 July 2020;
- (iii) further defer the January 2021 Distribution, which constitutes Arrears of Distribution pursuant to Condition 5(d)(iv) of the Terms and Conditions, that was deferred pursuant to the notice to the Holders and the Fiscal Agent on 11 January 2021;
- (iv) further defer the July 2021 Distribution, which constitutes Arrears of Distribution pursuant to Condition 5(d)(iv) of the Terms and Conditions, that was deferred pursuant to the notice to the Holders and the Fiscal Agent on 6 July 2021; and

- (v) further defer the January 2022 Distribution, which constitutes Arrears of Distribution pursuant to Condition 5(d)(iv) of the Terms and Conditions, that was deferred pursuant to the notice to the Holders and the Fiscal Agent on 10 January 2022.

DISTRIBUTION RATE

The Company for clarity wishes to set out below the applicable Distribution Rate on the following Distribution Payment Date:

- (i) in relation to the Distribution for the period from 26 January 2020 to, but excluding, 26 July 2020, in respect of which the Distribution Payment Date was 26 July 2020, the applicable Distribution Rate was 12.125% per annum, being the sum of the Initial Distribution Rate and the increase of 5% per annum as a result of the Covenant Breach; and
- (ii) in relation to the subsequent (semi-annual) Distributions for the period 26 July 2020 to, but excluding, 26 July 2022, the applicable Distribution Rate, subject to the decrease of Distribution Rate (if any) as set out in Condition 5(e)(ii) of the Terms and Conditions when the Covenant Breach has been cured, has been 15.76% per annum, representing the sum of the Relevant Reset Distribution Rate (as defined in the Terms and Conditions, being the sum of (a) the initial spread of 5.588% (b) the Treasury Rate and (c) the margin of 5%) and the increase of 5% per annum as a result of the Covenant Breach. As notified by the Calculation Agent, the Treasury Rate would be 0.172% per annum effective from 26 July 2020.

For the avoidance of doubt, the applicable Distribution Rate has remained unchanged since the last Distribution Payment Date.

DISTRIBUTION OF FINANCIAL STATEMENTS

According to Condition 4(c) of the Terms and Conditions of the Perpetual Securities, the Company is required to furnish to the Fiscal Agent within a specified timeframe the financial statements of the Guarantors for the year ended 31 December 2019 (“**FY2019 Financials**”), for the six months ended 30 June 2020 (the “**FY2020 Semi-Annual Financials**”), for the year ended 31 December 2020 (“**FY2020 Financials**”), for the six months ended 30 June 2021 (the “**FY2021 Semi-Annual Financials**”) and for the year ended 31 December 2021 (“**FY2021 Financials**”).

The Company is given to understand from the Guarantors that they will provide the FY2019 Financials, the FY2020 Semi-Annual Financials, the FY2020 Financials, the FY2021 Semi-Annual Financials and the FY2021 Financials to the Fiscal Agent in due course as soon as practicable.

The Company will make further announcement(s) relating to any further material development in relation to the above as and when appropriate in accordance with the Listing Rules.

UPDATES ON WINDING UP PETITION AND THE PROPOSED RESTRUCTURING OF HONG KONG AIRLINES LIMITED (“HKA”)

Reference is made to the announcements of the Company made on (i) 24 April 2022 in respect of the winding up petition filed by a creditor with the High Court of Hong Kong on 4 March 2022 against HKA (the “**Winding Up Petition**”); and (ii) 10 June 2022 in respect of the proposed HKA Restructuring (the “**Announcements**”). Unless otherwise defined, capitalised terms in this section shall have the same meanings as defined in the Announcements.

The Winding-Up Petition hearing has been adjourned to 29 August 2022 pending further progress and implementation of the HKA Restructuring. The Company hopes to shortly commence discussions with a representative group of Perpetual Securities holders (or their financial / legal advisors acting on their behalf) in relation to a potential restructuring of the Perpetual Securities. In parallel, the Company continues to invite all holders of the Perpetual Securities, who have not yet identified themselves to the Information Agent or PricewaterhouseCoopers (as the Company’s financial advisor), to do so as soon as possible. The contact details of the Information Agent and PricewaterhouseCoopers are set out below. The Company will make further announcement(s) relating to any material development in relation to the above as and when appropriate in accordance with the Listing Rules.

Information Agent

Address: In Hong Kong
The Hive, 33-35 Hillier Street, Sheung Wan

In London
103 Wigmore Street, W1U 1QS

Telephone: +852 2319 4130 (Hong Kong) / +44 20 4513 6933 (London)

Email address: dstdisclosures@investor.morrowsodali.com

PricewaterhouseCoopers

Address: 22/F, Prince’s Building, Central, Hong Kong

Email address: skypn@hk.pwc.com

CONTINUED SUSPENSION OF TRADING

Trading in the Perpetual Securities on The Stock Exchange of Hong Kong Limited has been suspended with effect from 1:00 p.m. on 3 December 2019 and will remain suspended until further notice(s).

In the event any holder of the Perpetual Securities has any questions relating to this announcement, please contact acctrd@hkairlines.com.

By Order of the Board
Blue Skyview Company Limited
Sun Jianfeng
Director

Hong Kong, 12 July 2022

As at the date of this announcement, the sole director of the Issuer is Sun Jianfeng.