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**"); (iv) 10 January 2022 in respect of the Distribution due on 26 January 2022 (the "**January 2022 Distribution**"); and (v) 12 July 2022 in respect of the Distribution due on 26 July 2022 (the "**July 2022 Distribution**").

On 17 January 2023, 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 January 2023, 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;

(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; and

(v) further defer the July 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 12 July 2022.

DISTRIBUTION RATE

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

(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 January 2023, 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

Reference is made to the announcement of the Company on 8 September 2022.

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 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 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 AGAINST 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 ("**Hong Kong Court**") on 4 March 2022 against HKA (the "**Winding Up Petition**"); and (ii) 12 July 2022 and 8 September 2022 in respect of, among others, the Winding Up Petition (collectively, the "**Announcements**"). Unless otherwise defined, capitalised terms in this section shall have the same meanings as defined in the Announcements.

On 16 January 2023, the High Court of Hong Kong has, by consent of the parties, dismissed the Winding-Up Petition filed by the relevant petitioner.

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, 18 January 2023

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