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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)

VOLUNTARY ANNOUNCEMENT

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 announcement of the Company on 8 July 2020 in respect of the deferral of the Distribution due on 26 July 2020 (the “**July 2020 Distribution**”).

On 11 January 2021, the Company gave a notice to its holders of Perpetual Securities 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 2021 pursuant to Condition 5(d)(i) of the Terms and Conditions; and
- (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 of the Perpetual Securities on 7 July 2020.

Distribution Rate

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

- (i) in respect of the Distribution Payment Date on 26 July 2020, the Distribution for the period from 26 January 2020 to 26 July 2020, the applicable Distribution Rate was 12.125% per annum, being the total of the Initial Distribution Rate and the increase of 5% per annum as a result of the Covenant Breach; and
- (ii) in respect of forth-coming Distribution Payment Date, the Distribution covering the semi-annual distribution from 26 July 2020 onwards, the applicable Distribution Rate, subject to the decrease of Distribution Rate as set out in Condition 5(e)(ii) of the Terms

and Conditions when the Covenant Breach has been cured, is 15.76% per annum, representing the total of 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.

Continued Suspension of Trading

Trading in the Perpetual Securities on The Stock Exchange of Hong Kong Limited has been suspended 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, 25 January 2021

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