

**COMPANY REGISTRATION NO:  
537544**

**BLUESKY 32 LEASING COMPANY LIMITED**

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**BLUESKY 32 LEASING COMPANY LIMITED**

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**BLUESKY 32 LEASING COMPANY LIMITED**

**DIRECTORS AND OTHER INFORMATION**

**DIRECTORS:**

Fergal Molony	(Irish)
Shane O'Connell	(Irish) (Resigned on 8 July 2025)
Francis Boyle	(Irish)
Xiaohui Hu	(Chinese) (Resigned on 26 August 2025)
Xuelin Yu	(Chinese) (Appointed on 2 April 2025)
Huang Mei	(Chinese) (Appointed on 26 August 2025)

**COMPANY SECRETARY:**

Apex IFS Limited  
2nd Floor, Block 5  
Irish Life Centre  
Lower Abbey Street  
Dublin D01 P767  
Ireland

**REGISTERED OFFICE:**

Block E  
Iveagh Court  
Harcourt Road  
Dublin D02 YT22  
Ireland

**BANKERS:**

Bank of Ireland  
2 Burlington Plaza  
Burlington Road  
Dublin D04 EC66  
Ireland

**INDEPENDENT AUDITOR:**

Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13-18, City Quay  
Dublin D02 ED70  
Ireland

**SOLICITORS**

A&L Goodbody  
3 Dublin Landings  
North Wall Quay  
Dublin D01 C4E0  
Ireland

**CORPORATE ADMINISTRATOR:**

Apex IFS Limited  
2nd Floor, Block 5  
Irish Life Centre  
Lower Abbey Street  
Dublin D01 P767  
Ireland

## **BLUESKY 32 LEASING COMPANY LIMITED**

### **DIRECTORS' REPORT**

The Directors present their annual report and audited financial statements of Bluesky 32 Leasing Company Limited (the "Company") for the year ended 31 December 2024.

### **PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The Company was incorporated on 7 January 2014. The Company is a wholly owned subsidiary of Minsheng Commercial Aviation (Ireland) Company Limited ("Parent Company"), which is in turn an indirect wholly owned subsidiary of Minsheng Financial Leasing Limited ("MSFL"). MSFL is majority owned and controlled by China Minsheng Banking Corporation ("CMBC").

The Company owns four Airbus A321NEO aircraft with serial numbers MSN 10762, 10754, 10855 and 11028. The four aircraft are currently on lease to Concesionaria Vuela Compania de Aviacion, S.A.P.I de C.V. ("Volaris"). The purchase of the aircraft was funded by loans from the Parent Company.

During the financial year, the Board of Directors approved the entry into a long term facility with MUFG Bank ("MUFG"). MUFG, as lead arranger, facility agent, security trustee and swap counterparty, together with other finance partners, made available to another affiliate of the Company, Bluesky 22 Leasing Company Limited ("Bluesky 22") a financing facility in respect of eleven (11) aircrafts including the four (4) aircraft owned by the Company. Bluesky 22 provided a loan to the Company via an Intercompany loan agreement.

The financing of the Company is through intercompany loans from the Parent Company and Bluesky 22. The loans are priced at an arm's length basis and the interest rates on the loans are reviewed on an annual basis.

The Directors expect the current level of activity to be maintained for the foreseeable future.

### **RESULTS AND DIVIDENDS FOR THE YEAR**

The Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024 and the Statement of Financial Position at that date are set out on pages 12 and 13.

The result for the financial year was a loss after tax of USD 7,962,062 (2023: loss after tax of USD 6,657,817).

The Directors do not recommend the payment of a dividend during the financial year (2023: USD Nil).

### **GOING CONCERN**

Based on all of the information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation. The Company will continue to receive support from the Parent Company and MSFL for any administrative expenses, intercompany loans and interest payable along with other liabilities. Management's intention is to look for more opportunities and not to terminate the Company.

## **BLUESKY 32 LEASING COMPANY LIMITED**

### **DIRECTORS' REPORT - continued**

#### **GOING CONCERN - continued**

In determining the going concern basis of preparation of the financial statements, the Directors have considered the cash position and available resources to the Company and related forecasts along with Parent Company support and MSFL, which show that based on current information that the Company would continue as a going concern for the foreseeable future. The Directors and management continue to monitor the impact of the conflict between Ukraine and Russia on the activities of the Company. However, as the Company has no direct operations in Russia or Ukraine, the Directors and management believe that there is no material impact at present. The Directors and management continue to keep the situation and the impact on the Company under review, with the support of the key service providers.

#### **STATEMENT ON RELEVANT AUDIT INFORMATION**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- (i) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (ii) he or she has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

#### **POLITICAL DONATIONS**

No political donations were made by the Company during the financial year (2023: USD Nil).

#### **BOOKS OF ACCOUNT**

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 281-285 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed Apex IFS Limited ("Apex") to provide accounting services, who report to the board and ensure that the requirements of Section 281-285 of the Companies Act 2014, are complied with. The books of account of the Company are maintained at 2nd Floor, Block 5, Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland.

#### **INDEPENDENT AUDITOR**

Grant Thornton, Chartered Accountants & Statutory Audit Firm, in accordance with Section 383 (2) of the Companies Act 2014, have indicated their willingness to continue in office as auditors of the Company.

#### **SUBSEQUENT EVENTS**

On 2 April 2025, Xuelin Yu was appointed as director. Also, on 8 July 2025 Shane O'Connell resigned as director of the Company, and on 26 August 2025 Xiaohui Hu resigned and Huang Mei was appointed director of the Company.

There were no other events after the reporting year end, which would require revision of the figures or disclosures in the financial statements.

**DIRECTORS' REPORT - continued**

**PRINCIPAL RISKS AND UNCERTAINTIES**

As a lessor, the Directors have identified the credit risk of the lessee as the primary risk facing the Company, as the Company bears the risk of non-performance under its lease by the airline operating the aircraft. The Company is also exposed to asset risk, market risk, interest rate risk and liquidity risk due to the structure of the Company.

**(i) Credit and concentration risk**

The Company is subject to the credit risk of its lessee as to collection of rental payments due under its operating leases. Credit risk is defined as expected loss in cash and earnings if the counterparty is unable to pay its obligations in due time.

The receipt of the operating lease amounts is highly dependent upon the financial strength of Volaris. Default by this entity could have a material adverse effect on both the Company's cash flow earnings and ability to meet debt obligations.

The Directors mitigate this risk by collecting maintenance reserves and collecting security deposits in form of cash.

**(ii) Market risk**

The Company is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Company through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and aircraft on ground. The Company periodically performs reviews of its carrying value of aircraft and associated assets, receivables and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

**(iii) Asset risk**

The Company bears the risk of re-leasing or selling the aircraft at the end of its lease term. If demand for aircraft decreases, market lease rates may fall and should this continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge. Management assessment of impairment was carried out through a review of both the value in use of the aircraft and the net realisable value of the aircraft. The aircraft showed no sign of impairment in either scenario.

At group level, there are experienced personnel who are employed to develop and advise on marketing strategies as well as identifying and negotiating with prospective lessees and third party purchasers for lease or sale of assets. The Company's strategy for managing residual value risk is to maximise return through sale.

**(iv) Interest rate risk**

Interest rate risk is the risk (variability in value) borne by an interest bearing asset or liability, such as a loan or a bond, due to variability of interest rates.

The Company has loan agreements with the Parent Company and with Bluesky 22 to support the aircraft procurement and operating costs. The interest rates applicable to the Parent Company and Bluesky 22 loan are fixed for the current year as per rate review received at mid year. An overall review of interest rates is carried out at year end by management in order to ascertain whether the interest rate needs to change. This change is prospective and therefore, changes in interest rates at year end will be reflected in next year accounts.

## BLUESKY 32 LEASING COMPANY LIMITED

### DIRECTORS' REPORT - continued

#### PRINCIPAL RISKS AND UNCERTAINTIES - continued

##### (v) Liquidity risk

The Company has funded its operations with debt financing. The ability of the Company to continue to operate is dependent on its ability to meet its payment obligations, which are dependent among other things upon the factors outlined above. The Company continues to receive Parent Company support by way of cash resources up to the level it requires to implement its business and pay its liabilities as they fall due. The Company also has the support of MSFL.

##### (vi) Performance Indicators

The principle key performance indicators used by management to monitor performance are as follows:

- Operating profit indicators - The operating profit margin at 2024 was 51% of total revenue (2023: 53%)
- Net asset indicators - The percentage cover of liabilities by assets is 94% for 2024 (2023: 97%).
- Various measures in relation to capital expenditure, including acquisitions and disposals- There was no updates for this during financial year (2023: Nil).

#### DIRECTORS' AND SECRETARY

The Directors and Secretary of the Company who held office during the financial year are as outlined below:

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>	<b>Office</b>
Fergal Molony	7-Jan-2014		Director
Shane O'Connell	26-Feb-2019	8-Jul-2025	Director
Francis Boyle	3-May-2023		Director
Xiaohui Hu	11-Oct-2022	26-Aug-2025	Director
Xuelin Yu	2-Apr-2025		Director
Huang Mei	26-Aug-2025		Director
Apex IFS Limited	7-Jan-2014		Secretary

On 2 April 2025, Xuelin Yu was appointed as director. Also, on 8 July 2025 Shane O'Connell resigned as director of the Company, and on 26 August 2025 Xiaohui Hu resigned and Huang Mei was appointed director of the Company.

The Directors continue in office in accordance with the Articles of Association of the Company.

**BLUESKY 32 LEASING COMPANY LIMITED**

**DIRECTORS' REPORT - continued**

**DIRECTORS' COMPLIANCE STATEMENT**

The Company does not meet the requirements to provide a Directors' Compliance Statement in line with Section 225 (2) of the Companies Act 2014, as they fall outside the prescribed thresholds.

**AUDIT COMMITTEE**

The Company does not meet the requirements to establish an audit committee in line with Section 167(1) of the Companies Act 2014, as they fall outside the prescribed thresholds.

**DIRECTORS', SECRETARY AND THEIR INTERESTS**

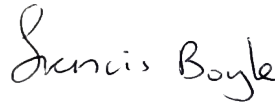
In accordance with Section 329 of the Companies Act 2014, the Directors and Secretary who held office at 31 December 2024 had no interests in the share capital of the Company or any group company in the current or prior year. The names of the Directors and Company Secretary together with details of appointments and resignations during the reporting period are listed above.

On behalf of the Board:



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**Fergal Molony**  
**Director**



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**Francis Boyle**  
**Director**

**Date: 13 February 2026**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

In preparing the financial statements of the Company, the Directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

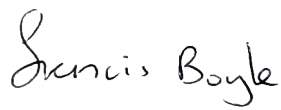
The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Director's report comply with the Companies Act 2014 and enable the financial statements to be audited.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

On behalf of the Board:

  
\_\_\_\_\_  
**Fergal Molony**  
Director

  
\_\_\_\_\_  
**Francis Boyle**  
Director

**Date: 13 February 2026**

# Independent auditor's report to the members of Bluesky 32 Leasing Company Limited

## Opinion

We have audited the financial statements of Bluesky 32 Leasing Company Limited (the “company”), which comprise the profit or loss account, statement of financial position, and statement of changes in equity for the financial year ended 31 December 2024, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 101 “Reduced Disclosure Framework”.

In our opinion, Bluesky 32 Leasing Company Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities, and financial position of the company as at 31 December 2024 and of financial performance for the financial year then ended,
- have been properly prepared in accordance with the relevant accounting framework, and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (‘ISAs (Ireland)’) and applicable law. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# Independent auditor's report to the members of Bluesky 32 Leasing Company Limited

## Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on the matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which to the best of our knowledge and belief, we considered necessary for the purposes of our audit.

In our opinion:

- the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.

The statement of financial position and income statement are in agreement with the accounting records and returns.

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements, excluding the requirements on sustainability reporting in Part 28.

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

## Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of sections 305 to 312 of the Act, which relate to the disclosure of directors' remuneration and transactions with directors have not been complied with by the company. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# Independent auditor's report to the members of Bluesky 32 Leasing Company Limited

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process and for the preparation of financial statements that give a true and fair view.

## **Auditor's responsibilities for the audit of the financial statements**

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b32389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b32389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shahnawaz Mirza

For and on behalf of

## **Grant Thornton**

Chartered Accountants & Statutory Audit Firm

Dublin 2

13 February 2026

**BLUESKY 32 LEASING COMPANY LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 31 December 2024

	Note	2024 USD	2023 USD
<b>REVENUE</b>			
Operating lease revenue	3	16,989,456	16,989,456
		<b>16,989,456</b>	<b>16,989,456</b>
<b>EXPENSES</b>			
Administrative expenses	4	(555,478)	(239,159)
Depreciation	9	(7,800,318)	(7,797,933)
		<b>(8,355,796)</b>	<b>(8,037,092)</b>
<b>OPERATING PROFIT</b>			
		<b>8,633,660</b>	<b>8,952,364</b>
Finance expense	6	(16,595,722)	(15,610,181)
<b>NET FINANCE COSTS</b>			
		<b>(16,595,722)</b>	<b>(15,610,181)</b>
<b>LOSS BEFORE INCOME TAX</b>			
		<b>(7,962,062)</b>	<b>(6,657,817)</b>
Tax charge for the year	8	-	-
<b>LOSS FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS</b>			
		<b>(7,962,062)</b>	<b>(6,657,817)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>			
		<b>(7,962,062)</b>	<b>(6,657,817)</b>

All activities derive from continuing operations for the financial year are attributable to the owners of the Company.

All items dealt with in arriving at the loss for the financial year ended 31 December 2024 are related to continuing operations.

The accompanying notes on pages 15 to 28 form an integral part of these financial statements.


**BLUESKY 32 LEASING COMPANY LIMITED**

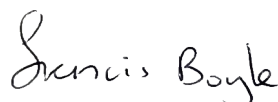
**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2024

<b>ASSETS</b>	<b>Note</b>	<b>2024</b> <b>USD</b>	<b>2023</b> <b>USD</b>
<b>NON-CURRENT ASSETS</b>			
Aircraft and related components	9	209,732,623	217,532,941
		<u><b>209,732,623</b></u>	<u><b>217,532,941</b></u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10	6,940,385	1,076,327
Trade and other receivables	11	138,218	161,027
		<u><b>7,078,603</b></u>	<u><b>1,237,354</b></u>
<b>TOTAL ASSETS</b>		<u><b>216,811,226</b></u>	<u><b>218,770,295</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' DEFICIT</b>			
Share capital	12	100	100
Retained deficit	17	(14,898,827)	(6,936,765)
<b>TOTAL SHAREHOLDERS DEFICIT</b>		<u><b>(14,898,727)</b></u>	<u><b>(6,936,665)</b></u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	13	142,750,295	-
Security deposit	16	2,831,576	2,831,576
		<u><b>145,581,871</b></u>	<u><b>2,831,576</b></u>
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	13	66,410,753	213,556,467
Interest payable	14	18,303,193	8,029,414
Trade and other payables	15	1,414,136	1,289,503
		<u><b>86,128,082</b></u>	<u><b>222,875,384</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>231,709,953</b></u>	<u><b>225,706,960</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>216,811,226</b></u>	<u><b>218,770,295</b></u>

The accompanying notes on pages 15 to 28 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and signed on its behalf by:

  
\_\_\_\_\_  
**Fergal Molony**  
Director

  
\_\_\_\_\_  
**Francis Boyle**  
Director

Date: 13 February 2026

**BLUESKY 32 LEASING COMPANY LIMITED****STATEMENT OF CHANGES IN EQUITY  
as at 31 December 2024**

	<b>Share capital USD</b>	<b>Retained deficit USD</b>	<b>Total deficit USD</b>
Balance at 1 January 2024	100	(6,936,765)	(6,936,665)
Total Comprehensive Loss for the year Loss for the year	-	(7,962,062)	(7,962,062)
<b>Balance at 31 December 2024</b>	<b>100</b>	<b>(14,898,827)</b>	<b>(14,898,727)</b>

	<b>Share capital USD</b>	<b>Retained deficit USD</b>	<b>Total deficit USD</b>
Balance at 1 January 2023	100	(278,948)	(161,449)
Total Comprehensive Loss for the year Loss for the year	-	(6,657,817)	(117,399)
<b>Balance at 31 December 2023</b>	<b>100</b>	<b>(6,936,765)</b>	<b>(6,936,665)</b>

All equity is attributable to the holders of the ordinary shares of the Company.

The accompanying notes on pages 15 to 28 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 CORPORATE INFORMATION**

The Company is a single member private company limited by shares. The Company was incorporated on 7 January 2014. The address of the Company's registered office is Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

The Company is a wholly owned subsidiary of the Minsheng Commercial Aviation (Ireland) Company Limited ("Parent Company"), which is in turn an indirect wholly owned subsidiary of Minsheng Financial Leasing Limited ("MSFL"). MSFL is majority owned and controlled by China Minsheng Banking Corp. Limited ("CMBC").

The Company was incorporated in the Republic of Ireland as a special purpose company whose principal activity of the Company is the owning and leasing of aircraft.

**2 ACCOUNTING POLICIES**

*BASIS OF PREPARATION*

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). In preparing these financial statements, the Company applies the recognition measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS") and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared under the historical cost convention. The Company continues to adopt the going concern basis in preparing the financial statements. The Company continues to receive Parent Company support by way of cash resources up to level it requires to implement a business and pay its liabilities as they fall due.

The financial statements are presented in US Dollars ("USD"), which is the functional and presentation currency of the Company.

*GOING CONCERN*

Based on all of the information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation. The Company will continue to receive support from the Parent Company and MSFL for any administrative expenses, intercompany loans and interest payable along with other liabilities. Management's intention is to look for more opportunities and not to terminate the Company.

In determining the going concern basis of preparation of the financial statements, the Directors have considered the cash position and available resources to the Company and related forecasts along with Parent Company support and MSFL, which show that based on current information that the Company would continue as a going concern for the foreseeable future. The Directors and management continue to monitor the impact of the conflict between Ukraine and Russia on the activities of the Company. However, as the Company has no direct operations in Russia or Ukraine, the Directors and management believe that there is no material impact at present. The Directors and management continue to keep the situation and the impact on the Company under review, with the support of the key service providers.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*ESTIMATES AND JUDGEMENTS*

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by the Directors on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision only affects that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

*IFRS 9*

The Company applied IFRS 9 simplified approach to measuring expected credit losses ("ECL") for trade receivables which uses a lifetime expected loss allowance for all intercompany and trade receivables from rental of aircraft. The Company used security deposits from lessee and affiliate entities to offset the total arrears at reporting date. This balance was then used to assess expected credit loss provision. For trade receivables from aircraft on lease, no expected loss allowance was recognized for the year ended 31 December 2024 (2023: Nil). This amount represents the Company's expectation of credit losses on amounts receivable at the reporting date, net of subsequent cash recoveries and security deposits held by the Company.

*FOREIGN CURRENCY TRANSACTIONS*

Foreign currency transactions are translated to the Company's functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the balance sheet date. Foreign currency differences on these are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

*FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS*

The company has taken advantage of the following disclosure exemptions under FRS 101: and the exemptions that have been applied because equivalent disclosures are included in the consolidated financial statements of China Minsheng Banking Corporation Limited ("CMBC") and these financial statements may be obtained from, No. 2 Fuxingmennel Street, Xicheng District, Beijing, China.

- The requirements of IFRS 7 Financial Instruments
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:- paragraph 73(e) of IAS 16 Property, Plant and Equipment
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosure
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

**ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)
IFRS 16	Lease Liability in Sale and Leaseback (Amendments to IFRS 16)
IFRS 7 and IAS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

**FINANCIAL INSTRUMENTS**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Company has used methods in its classification and measurement of its financial assets relevant to IFRS 9. Under IFRS 9, on initial recognition, there are three classifications of financial assets; Amortised Cost, Fair Value through other comprehensive income (FVOCI) for a debt instrument or equity investment and Fair Value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Company's relevant financial assets are classified at amortised cost with the expected credit losses.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL. If it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The financial assets at amortised cost consist of trade receivables and cash.

The Company has elected to measure loss allowances for trade receivables at an amount equal to Lifetime Expected Credit Loss ("ECL").

Under IFRS 9, each financial asset must now be assessed on an ongoing basis to ascertain whether there has been a change in the risk of default since origination. In order to do this, each financial asset must be assessed on a number of risk factors and categorised into 3 types or "Stages". These stages can be defined as follows:

Stage 1: No increase in risk of default since origination of financial asset and risk factor of a default applied to a 12 month Cash Flow

Stage 2: Identified increased risk of default since origination of financial asset and risk factor of a default applied to a lifetime Cash Flow

Stage 3: Identified Loss/Impairment and risk factor applied to that default over a Lifetime Cash Flow

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*AIRCRAFT AND RELATED COMPONENTS*

Aircraft that management intends to hold and lease are stated at cost, less accumulated depreciation and impairment and are depreciated at rates calculated to write off the cost of the assets to their estimated residual value on a straight line basis, over their estimated useful economic lives. The residual value is based on 15% of the cost of the aircraft. The current estimate of useful economic life is 25 years from date of manufacture. Cost includes expenditure that is directly attributable to the acquisition of the asset, including any cost attributable to bringing the asset to a working condition for intended use. Borrowing costs related to the acquisition of qualifying assets are included as part of the cost of the asset. Depreciation is calculated on a straight line basis over the asset's useful life.

Depreciation is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the remaining useful life from the date of manufacture or purchase to a residual value.

Aircraft type	Remaining useful life
Narrow body	25 years from date of manufacture

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

On acquisition, an element of the cost of aircraft is attributed to its service potential, reflecting the maintenance condition of the engines and airframe. This is depreciated on the basis set out above.

Residual values are taken at 15% of the purchase price with depreciation recognised to this value over a useful life of 25 years.

In accordance with IAS 36, "Impairment of Assets", the Company's aircraft and major modules that are to be held and used are reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. Management carry out an annual impairment review. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and in these circumstances a loss is recognised as a write down of the carrying value to the higher value of its value in use and net realisable value. Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate of 6% (2023: 6%) that reflects the time value of money and the risks specific to the asset.

If recoverable amounts are lower than carrying values, assets are reduced to their recoverable amounts with the resultant impairment charges being recorded in the Statement of Profit or Loss and Other Comprehensive Income. Where a prior impairment loss has decreased or reversed, the carrying amount of the asset is increased and the impairment loss reversed in the Statement of Profit or Loss and Other Comprehensive Income to the extent that the asset is not carried at a higher value than if no impairment loss had been recognised in prior years.

Recoverable amount is the higher of the net realisable value ("NRV") and value in use ("VIU"). NRV is the price that would be received to sell an asset in an orderly transaction between market participants less any directly attributable selling costs. VIU is the present value of future cash flows expected to be obtainable as a result of an asset's continued use, including those from contracted lease rentals, assumed future leases (not yet contracted) and estimated ultimate disposal proceeds.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*AIRCRAFT AND RELATED COMPONENTS - continued*

The review for recoverability has a level of subjectivity and requires the use of judgement in the assessment of estimated future cash flows associated with the use of an aircraft to its scheduled lease expiry. NRV is determined by using a professional current market valuation obtained from two independent appraisers. Value in use is determined as the total cash flow expected to be generated by an aircraft to the end of its useful economic life, discounted at a market rate. Expected future cash flows are based on all relevant information available, including the existing lease, contracted rates for the leased aircraft, residual values including assumptions on expected physical condition at the end of the lease, economic conditions, technology, airline demand for a particular aircraft type and industry trends. In determining the estimate of residual cash flows for the VIU calculation it is assumed the aircraft will be sold at lease expiry for their full life market value at that date. Full life market values at lease end are taken as the values according to a third party valuation report at lease expiry.

*FINANCIAL LIABILITIES*

Issued financial instruments or their components will be classified as liabilities where the substance of the contractual arrangement results in the Company having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavorable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares.

Financial liabilities will be initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost, with any difference between the proceeds net of transaction costs and the redemption value recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

A financial liability is derecognised when its contractual obligations are discharged, cancelled or expired, or subject to a substantial modification of terms.

*CASH AND CASH EQUIVALENTS*

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investing or other purposes. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

*TRADE AND OTHER RECEIVABLES*

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. IFRS 9 establishes a simplified impairment approach for qualifying trade receivables and lease receivables and allows the entity to recognise a loss allowance based on lifetime expected credit losses at each reporting date. Lifetime expected credit losses are measured based on the historical loss experience of the Servicer for lessees of varying credit risk profiles. The expected credit losses of the Company when default by a lessee occurs is determined by analysing credit sales over a three year cycle and by comparing this against receivables outstanding at the reporting date. This is supplemented by using the credit rating of the lessee to determine a probability of default rate to test for impairment.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*TRADE AND OTHER PAYABLES*

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

*SHARE CAPITAL*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

*ADMINISTRATIVE EXPENSES*

Administrative expenses are the expenses that an organisation incurs not directly tied to a specific function. The costs associated for this Company include audit, tax, accounting and other professional fees.

*LOANS AND BORROWINGS*

Interest bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being capitalised to qualifying assets or recognised in the income statement over the period of the borrowings. The Company's loans are at a fixed rate with the Parent Company and reviewed annually. These loans are utilised directly in the principal activities of the Company.

*LEASE CLASSIFICATION*

The Company uses operating leases for its aircraft. An operating lease is a contract that allows the lessee the use of an asset but does not convey rights of ownership of the asset. The leased asset is reported on the Statement of Financial Position and the lease rentals as well as the depreciation related to the asset is reported in the Statement of Profit or Loss and Other Comprehensive Income.

*OTHER FINANCIAL INSTRUMENTS*

Other non-derivative financial instruments are measured at cost or amortised cost using the effective interest method, less any impairment losses.

*OPERATING LEASES*

The Company, as lessor, leases aircraft principally under operating leases and records rental income ratably over the life of the lease as it is earned. The Company accounts for lease rental income under lease agreements that include step rent clauses on a straight-line basis.

For past-due rentals on all leases, a bad debt provision may be established on the basis of management's assessment of collectability and to the extent such rentals exceed related security deposits held and any provision so established is recorded as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

If the Company's lease contracts require payment in advance, rentals received, but unearned under these lease agreements, are recorded as operating lease income prepaid in liabilities on the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*FINANCE INCOME AND EXPENSES*

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

Finance expenses comprise interest expense on borrowings and impairment losses recognised on financial assets. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

*INCOME TAX EXPENSE*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in Statement of Profit or Loss and Other Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

*DIVIDENDS*

Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders.

<b>3 OPERATING LEASE REVENUE</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Operating lease revenue	16,989,456	16,989,456
	<b>16,989,456</b>	<b>16,989,456</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**3 OPERATING LEASE REVENUE - continued**

The Company had one customer in the year ended 31 December 2024, which accounted for 100% of revenue.

The distribution of lease rental income by geographical region is as follows:

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>USD</b>	<b>%</b>	<b>USD</b>	<b>%</b>
Central America	16,989,456	100%	16,989,456	100%
	<b>16,989,456</b>	<b>100%</b>	<b>16,989,456</b>	<b>100%</b>

At 31 December 2024 the Company had contracted to receive the following minimum cash lease rentals:

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Due within one year	16,989,456	16,989,456
Due within one year and two years	16,989,456	16,989,456
Due within two and three years	16,989,456	16,989,456
Due within three years and four years	16,989,456	16,989,456
Due within four years and five years	16,989,456	16,989,456
Due after five years	76,372,686	93,362,142
	<b>161,319,966</b>	<b>178,309,422</b>

**4 ADMINISTRATIVE EXPENSES**

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Management fees to Parent Company	20,427	20,720
Accounting and administration fees	12,689	12,780
Audit and tax advisory fees	7,577	3,274
Bank charges	1,192	987
Legal and professional fees	350,553	7,472
Service fee to Bluesky 22	43,923	76,219
Insurance Fees	75,585	79,054
Agency Fee	3,360	-
Notary Fees	182	-
Service fees to Parent Company	60,903	27,948
Foreign currency exchange (gain)/loss	(20,913)	10,705
	<b>555,478</b>	<b>239,159</b>

**5 STAFF NUMBERS AND COSTS**

The Company had no employees during the year ended 31 December 2024 (2023: Nil).

Apex IFS Limited ("Apex") acts as Secretary and corporate administrator to the Company in accordance with the terms of the service agreements made with the Company.

**BLUESKY 32 LEASING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>6 FINANCE EXPENSE</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Interest expense on loan from the Parent Company	2,551,326	7,830,927
Interest expense on loan from Bluesky 22	9,647,337	7,756,444
Interest expense on loan from MUFG	4,270,727	-
Amortisation of deferred operating expenses	126,332	22,810
	<u><b>16,595,722</b></u>	<u><b>15,610,181</b></u>

<b>7 STATUTORY INFORMATION</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
The result before taxation is arrived at after charging:		
Directors' emoluments	<u>-</u>	<u>-</u>
Auditor's remuneration for work carried out for the Company in respect of the financial year is as follows:		
Audit of individual Company accounts	<u>5,719</u>	<u>1,487</u>
	<u><b>5,719</b></u>	<u><b>1,487</b></u>

The Company has considered section 305A of the Companies Act 2014 which requires entities to make reasonable allocation of management fees paid to service providers who provide employees as directors to the Company. The Company has considered this requirement and has estimated a fee of USD 1,000 be applied to this Company (2023: USD 1,000).

<b>8 INCOME TAX EXPENSE</b>	<b>2024</b>	<b>2023</b>
<b>a) Profit and loss</b>	<b>USD</b>	<b>USD</b>
Corporation tax charge on ordinary activities	-	-
Deferred tax credit	<u>-</u>	<u>-</u>
<b>Total tax on ordinary activities</b>	<u><b>-</b></u>	<u><b>-</b></u>

The reconciliation of tax on loss on ordinary activities at the standard rate of the Irish Corporation tax to the Company's actual tax charge is analysed as follows:

Loss on ordinary activities before tax	<u>(7,962,062)</u>	<u>(6,657,817)</u>
Tax on loss on ordinary activities at the standard rate of corporation tax 12.5%	(995,258)	(832,227)
<i>Tax effects:</i>		
Movement in unrecognised deferred tax asset	<u>995,258</u>	<u>832,227</u>
<b>Total tax charge</b>	<u><b>-</b></u>	<u><b>-</b></u>

NOTES TO THE FINANCIAL STATEMENTS

8 INCOME TAX EXPENSE - continued

b) Statement of Financial Position

	Assets 2024 USD	Liabilities 2024 USD	Net 2024 USD
Deferred tax assets and liabilities			
Property, plant and equipment	-	(8,288,341)	(8,288,341)
Trade Losses	8,288,341	-	8,288,341
	<hr/>	<hr/>	<hr/>
<b>Tax assets/(liabilities)</b>	<b>8,288,341</b>	<b>(8,288,341)</b>	<b>-</b>

	Assets 2023 USD	Liabilities 2023 USD	Net 2023 USD
Deferred tax assets and liabilities			
Property, plant and equipment	-	(5,509,142)	(5,509,142)
Trade Losses	5,509,142	-	5,509,142
	<hr/>	<hr/>	<hr/>
<b>Tax assets/(liabilities)</b>	<b>5,509,142</b>	<b>(5,509,142)</b>	<b>-</b>

The Company had a deferred tax asset of USD 1,810,958 at 31 December 2024 which has not been recognised (2023: USD 846,902). The Company's deferred tax asset arises due to unrelieved trading losses carried forward. Although these unrelieved trading losses are available to offset any future taxable income of the Company, the Directors have decided not to recognise this asset at this point in time as, due to the nature of the business in which the Company operates, it is not possible to forecast profit or loss levels with sufficient accuracy to estimate the amount of any deferred tax asset that will be recoverable.

9 AIRCRAFT AND RELATED COMPONENTS

At 31 December 2024

	2024 USD	2023 USD
<b>Cost</b>		
At beginning of financial year	229,104,825	229,104,825
	<hr/>	<hr/>
<b>At 31 December</b>	<b>229,104,825</b>	<b>229,104,825</b>
	<hr/>	<hr/>
<b>Depreciation</b>		
At beginning of financial year	(11,571,884)	(3,773,951)
Depreciation charge for the year	(7,800,318)	(7,797,933)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>(19,372,202)</b>	<b>(11,571,884)</b>
	<hr/>	<hr/>
<b>Net book value</b>	<b>209,732,623</b>	<b>217,532,941</b>

NOTES TO THE FINANCIAL STATEMENTS

9 AIRCRAFT AND RELATED COMPONENTS - continued

The distribution of aircraft by geographical region of airline is as follows:

	2024 USD	2024 %	2023 USD	2023 %
Central America	209,732,623	100%	217,532,941	100%
	<u>209,732,623</u>	<u>100%</u>	<u>217,532,941</u>	<u>100%</u>

The aircraft is currently on lease with Volaris

The Directors are satisfied that the net book value of the aircraft is appropriate.

The Company undertakes a review to consider whether an impairment provision is required in the respect of the aircraft. The Company, in applying IAS 36, determined that the recoverable amount of the aircraft is higher than the carrying amount. The Company uses a third party valuation entity for assessing current market value of its aircraft. As a result, no impairment charge is considered necessary.

10 CASH AND CASH EQUIVALENTS

	2024 USD	2023 USD
Unrestricted bank balances	4,108,809	1,076,327
Deposit Account	2,831,576	-
	<u>6,940,385</u>	<u>1,076,327</u>

11 TRADE AND OTHER RECEIVABLES

	2024 USD	2023 USD
Deferred operating expenses	138,118	160,927
Share capital receivable	100	100
	<u>138,218</u>	<u>161,027</u>

Trade and other receivables represent deferred operating expenses which are neither past due nor impaired.

12 SHARE CAPITAL

	2024 USD	2023 USD
<b>Authorised</b>		
100 Ordinary shares of 1 USD each	<u>100</u>	<u>100</u>
<b>Issued and called-up</b>		
100 Ordinary shares of 1 USD each	<u>100</u>	<u>100</u>

**Dividends**

The holders of ordinary shares are entitled to receive dividends as declared from time to time. No dividends were paid during the financial year or proposed by the Directors at the Statement of Financial Position date (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

13 LOANS AND BORROWINGS	2024 USD	2023 USD
Loans and borrowings	210,858,808	213,556,467
Deferred finance costs	(1,697,760)	-
	<b>209,161,048</b>	<b>213,556,467</b>
<b>Non-Current Liabilities</b>		
Secured bank loans	144,199,602	-
Deferred finance costs	(1,449,307)	-
	<b>142,750,295</b>	<b>-</b>
<b>Current Liabilities</b>		
Secured bank loans	8,059,635	-
Group borrowings	58,599,571	213,556,467
Deferred finance costs	(248,453)	-
	<b>66,410,753</b>	<b>213,556,467</b>

The aggregate principal repayment of loans for each of the following years subsequent to 31 December 2024 is as follows:

	Per Statement of Financial Position USD	Contractual cash flow including interest USD
Due within one year	66,659,206	95,308,758
Due between one and two years	8,566,852	18,318,449
Due between two and three years	9,105,989	18,225,395
Due between three and four years	9,679,056	18,150,809
Due between four and five years	10,288,187	18,021,348
Due after five years	106,559,519	118,424,856
	<b>210,858,809</b>	<b>286,449,615</b>

The aggregate principal repayment of loans for each of the following years subsequent to 31 December 2023 is as follows:

	Per Statement of Financial Position USD	Contractual cash flow including interest USD
Due within one year	213,556,467	221,585,881
Due between one and two years	-	-
Due between two and three years	-	-
Due between three and four years	-	-
Due between four and five years	-	-
Due after five years	-	-
	<b>213,556,467</b>	<b>221,585,881</b>

During the financial year, the Board of Directors approved the entry into a long term facility with MUFG Bank ("MUFG"). MUFG, as lead arranger, facility agent, security trustee and swap counterparty, together with other finance partners, made available to another affiliate of the Company, Bluesky 22 Leasing Company Limited ("Bluesky 22") a financing facility in respect of eleven (11) aircrafts including the four (4) aircraft owned by the Company. Bluesky 22 provided a loan to the Company via an Intercompany loan agreement.

**BLUESKY 32 LEASING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**13 LOANS AND BORROWINGS - continued**

The loans at 31 December 2024 provided by MUFG amounted to USD 152,259,237 (2023: USD Nil), by the Parent Company amounted to USD 1,398,540 (2023: USD 53,556,467) and the loans provided by Bluesky 22 amounted to USD 57,201,031 (2023: USD 160,000,000).

The basis of interest rate payable on the loans from MUFG is Secured Overnight Financing rate (SOFR) plus margin of one point ninety five percent (1.95%). The interest accrued at the year end of USD 1,491,470 (2023: USD Nil).

The interest rate payable on loan with the Parent Company and other related parties is fixed at 7.9% during the financial year 31 December 2024 (2023: 6.2% from 1 January and 7.8% from 1 July). There is interest accrued at year end of USD 16,811,723 (2023: USD 8,029,414).

The loans provided by MUFG are secured against the assets of the Company on a limited recourse basis.

The loans provided by the Parent Company and Bluesky 22 are unsecured and repayable on demand.

<b>14 INTEREST PAYABLE</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Interest payable on loan from the Parent Company	16,811,723	8,029,414
Third Party Interest	1,491,470	-
	<u><b>18,303,193</b></u>	<u><b>8,029,414</b></u>

<b>15 TRADE AND OTHER PAYABLES</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Lease rent received in advance	877,576	877,576
Intercompany payables	69,737	52,875
Management fees to MSFL	61,607	234,810
Service fee to Bluesky 22	118,102	76,219
Service fee to Parent Company	280,513	42,613
Sundry payables	6,601	5,410
	<u><b>1,414,136</b></u>	<u><b>1,289,503</b></u>

Intercompany payables are unsecured, payable on demand and do not bear interest.

<b>16 SECURITY DEPOSITS</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Security deposits	<u><b>2,831,576</b></u>	<u><b>2,831,576</b></u>
<b>Non-current liabilities</b>		
Security deposits	<u><b>2,831,576</b></u>	<u><b>2,831,576</b></u>

Certain leases require the lessee to pay a security deposit, either in cash or in the form of a letter of credit. These deposits are refundable to the lessee upon expiration of the lease and the lessee satisfactorily meeting aircraft return conditions.

NOTES TO THE FINANCIAL STATEMENTS

17	RETAINED DEFICIT	2024 USD	2023 USD
	Retained deficit at the beginning of the financial year	(6,936,765)	(278,948)
	Loss for the financial year	(7,962,062)	(6,657,817)
	<b>Retained deficit at the end of the financial year</b>	<b>(14,898,827)</b>	<b>(6,936,765)</b>

18 GROUP MEMBERSHIP

The Company is a wholly owned subsidiary of the Minsheng Commercial Aviation (Ireland) Company Limited (the "Parent Company"), which is in turn an indirect wholly owned subsidiary of Minsheng Financial Leasing Limited ("MSFL"). The financial statements of the Parent Company are available at Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland. MSFL is majority owned and controlled by China Minsheng Banking Corp. Limited ("CMBC"). CMBC whose registered office is at No. 2 Fuxingmennei Street, Xicheng District, Beijing, China presents consolidated financial statements which includes the Company's position. These consolidated accounts are publicly available for review at the registered office of CMBC.

19 RELATED PARTY TRANSACTIONS

The Company is availing of the exemption available under FRS 101 from disclosing transactions entered into between two or more members of a group, provided that any subsidiary party to the transaction is wholly owned by such a member. Details of the availability of the group consolidated financial statements are given in note 18 to these financial statements.

Francis Boyle and Fergal Molony, Directors of the Company, are also employees of Apex. Apex, the Company Secretary, provides administration services to the Company at arm's length commercial rates. During the year under review, Apex provided administration services to the Company totaling USD 12,689 (2023: USD 12,780). At 31 December 2024, the balance accrued to Apex was nil (2023: Nil).

The Company has considered section 305A of the Companies Act 2014 which requires entities to make reasonable allocation of management fees paid to service providers who provide employees as directors to the Company. The Company has considered this requirement and has estimated a fee of USD 1,000 be applied to this Company (2023: USD 1,000).

20 COMMITMENTS AND CONTINGENCIES

At 31 December 2024 the Company had no commitments or contingencies (2023: None).

21 SUBSEQUENT EVENTS

On 2 April 2025, Xuelin Yu was appointed as director. Also, on 8 July 2025 Shane O'Connell resigned as director of the Company, and on 26 August 2025 Xiaohui Hu resigned and Huang Mei was appointed director of the Company.

There were no other events after the reporting year end, which would require revision of the figures or disclosures in the financial statements.

22 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Board of Directors on 13 February 2026.