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CHINA AIRCRAFT LEASING GROUP HOLDINGS LIMITED

中國飛機租賃集團控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 1848)

ACQUISITION OF TWO AIRCRAFT

AIRCRAFT SALE AND PURCHASE AGREEMENTS

The Board is pleased to announce that on 29 October 2019 (after trading hours), the Company (through two of its wholly-owned special purpose vehicles, as buyers) entered into the Aircraft Sale and Purchase Agreements with ARI, pursuant to which the Company agreed to purchase and ARI agreed to sell the Aircraft (either by itself or through its nominee).

IMPLICATION OF THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction are above 5% but all are below 25%, the Transaction would constitute a discloseable transaction for the Company under the Listing Rules. Nevertheless, the Transaction is a Qualified Aircraft Leasing Activity and is only subject to the disclosure requirements under Rule 14.33D of the Listing Rules.

AIRCRAFT SALE AND PURCHASE AGREEMENTS

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Being a commonly-held entity of the Company, ARI forms a key part the Company's aircraft solution value chain by providing technical and engineering expertise, among other essences. The Aircraft purchased from ARI will be concurrently leased to a Chinese airline client under long term leases with reasonable return, which highlights the importance of ARI's efficient transfer capability in such fleet transitions and showcases how the Company leverages on ARI's strengths to deliver total solutions to capture market demands.

Date: 29 October 2019

Parties

- (a) the Company (through two of its wholly-owned special purpose vehicles, as buyers). The Group is principally engaged in global aircraft leasing business with a fleet of 135 owned or managed aircraft as at the date of this announcement; and
- (b) ARI (as seller). ARI is held by the Company, China Aero (a wholly-owned subsidiary of Friedmann Pacific Asset Management Limited which is one of the substantial shareholders of the Company) and Neo Modern (a wholly-owned subsidiary of China Everbright Limited which is one of the substantial shareholders of the Company) as to 48%, 18% and 14% respectively and is therefore a commonly held entity of the Company.

Aircraft to be acquired: two used Boeing B737-800NG aircraft built in 2014

Completion

It is estimated that the Aircraft will be delivered by the end of 2019.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions are above 5% but all are below 25%, the Transaction would constitute a discloseable transaction for the Company under the Listing Rules. Nevertheless, the Transaction is a Qualified Aircraft Leasing Activity and is only subject to the disclosure requirements under Rule 14.33D of the Listing Rules.

The Board has confirmed that (1) the Company has fulfilled the criteria for a Qualified Aircraft Lessor as set out in Rule 14.04(10E) of the Listing Rules; (2) the Transaction is entered into by the Company in its ordinary and usual course of business and on normal commercial terms; and (3) the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions shall (unless the context otherwise requires) have the following meanings:

“Aircraft”	two used Boeing B737-800NG aircraft built in 2014
“Aircraft Sale and Purchase Agreements”	two aircraft sale and purchase agreements entered into between the Company (through two of its wholly-owned special purpose vehicles, as buyers) and ARI on 29 October 2019, pursuant to which the Company agreed to purchase and ARI agreed to sell the Aircraft (either by itself or through its nominee)

“ARI”	Aircraft Recycling International Limited, a company incorporated in the Cayman Islands that provides a comprehensive range of solutions for mid- to- end-of-life aircraft for the global aviation industry
“Board”	the board of Directors
“China Aero”	China Aero Investments Limited, a company incorporated in the Cayman Islands and is a wholly-owned subsidiary of Friedmann Pacific Asset Management Limited which is one of the substantial shareholders of the Company
“commonly held entity”	has the meaning ascribed to it under the Listing Rules
“Company”	China Aircraft Leasing Group Holdings Limited (中國飛機租賃集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Neo Modern”	Neo Modern Limited, a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of China Everbright Limited which is one of the substantial shareholders of the Company
“Qualified Aircraft Leasing Activity”	has the meaning ascribed to it in Rule 14.04(10D) of the Listing Rules
“Qualified Aircraft Lessor”	has the meaning ascribed to it in Rule 14.04(10E) of the Listing Rules
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules

“Transaction”

the transaction contemplated under the Aircraft Sale and Purchase Agreements

By order of the Board
China Aircraft Leasing Group Holdings Limited
POON HO MAN
Executive Director and
Chief Executive Officer

Hong Kong, 29 October 2019

As at the date of this announcement, (i) the Executive Directors are Mr. ZHAO Wei, Mr. POON Ho Man and Ms. LIU Wanting; (ii) the Non-executive Director is Mr. TANG Chi Chun; and (iii) the Independent Non-executive Directors are Mr. FAN Yan Hok, Philip, Mr. NIEN Van Jin, Robert, Mr. CHEOK Albert Saychuan and Mr. CHOW Kwong Fai, Edward, JP.