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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 THREE AIRCRAFT**

The Board is pleased to announce that on 25 February 2020 (after trading hours), the Buyers entered into the Aircraft Sale and Purchase Agreements with Skylink 2, pursuant to which the Buyers agreed to purchase and Skylink 2 agreed to sell the Aircraft.

**AIRCRAFT SALE AND PURCHASE AGREEMENTS**

The Board is pleased to announce that on 25 February 2020 (after trading hours), the Buyers entered into the Aircraft Sale and Purchase Agreements with Skylink 2, pursuant to which The Buyers agreed to purchase and Skylink 2 agreed to sell the Aircraft.

Based on the rolling encumbered valuation of the Aircraft (obtained from two independent appraisers), the consideration payable by the Company to ARI represents a discount ranging from 6.8% to 11.9% against the valuation of the Aircraft.

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 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:** 25 February 2020

## Parties

- (a) the Buyers (as buyers), all wholly-owned subsidiaries of the Company which is principally engaged in global aircraft leasing business with a fleet of 136 owned or managed aircraft as at the date of this announcement; and
- (b) Skylink 2 (as seller), a wholly-owned subsidiary of ARI which 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 therefore a commonly held entity of the Company.

**Aircraft to be acquired:** the Aircraft

**Completion:** It is estimated that the Aircraft will be delivered by the second quarter of 2020.

## 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 25% but all are below 100%, the Transaction (when aggregated with the Previous Transaction pursuant to Rule 14.22 of the Listing Rules) would constitute a major 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:

<b>“Aircraft”</b>	three used Boeing B737-800NG aircraft built in 2014
<b>“Aircraft Sale and Purchase Agreements”</b>	three aircraft sale and purchase agreements entered into between the Buyers and Skylink 2 on 25 February 2020, pursuant to which the Buyers agreed to purchase and Skylink 2 agreed to sell the Aircraft

<b>“ARI”</b>	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
<b>“Board”</b>	the board of Directors
<b>“Buyers”</b>	ZJ Tianqing Leasing (Tianjin) Co., Ltd., ZJ Xuande Leasing (Tianjin) Co., Ltd. and ZJ Yanzai Leasing (Tianjin) Co., Ltd., which are all companies incorporated in the People's Republic of China with limited liability and wholly-owned by the Company
<b>“China Aero”</b>	China Aero Investments Limited, a company incorporated in the Cayman Islands and a wholly-owned subsidiary of Friedmann Pacific Asset Management Limited which is one of the substantial shareholders of the Company
<b>“commonly held entity”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Company”</b>	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
<b>“Directors”</b>	the directors of the Company
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Neo Modern”</b>	Neo Modern Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of China Everbright Limited which is one of the substantial shareholders of the Company
<b>“Previous Transaction”</b>	the transaction contemplated under the two aircraft sale and purchase agreements dated 29 October 2019. Please refer to the announcement of the Company dated 29 October 2019 for details
<b>“Qualified Aircraft Leasing Activity”</b>	has the meaning ascribed to it in Rule 14.04(10D) of the Listing Rules
<b>“Qualified Aircraft Lessor”</b>	has the meaning ascribed to it in Rule 14.04(10E) of the Listing Rules
<b>“Shareholders”</b>	the shareholders of the Company

<b>“Skylink 2”</b>	Skylink 2-Aircraft Leasing Limited, a company incorporated in Ireland with limited liability and a wholly-owned subsidiary of ARI
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“substantial shareholders”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Transaction”</b>	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, 25 February 2020

*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.*