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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)

**PURCHASE AND LEASEBACK ARRANGEMENT
OF TWO AIRCRAFT**

The Board is pleased to announce that on 20 July 2020 (after trading hours), the Buyers entered into the Aircraft Sale and Purchase Agreements with the Seller, pursuant to which the Buyers agreed to purchase and the Seller agreed to sell the Aircraft. Upon the completion of the Transaction, the Aircraft will be leased back to the Seller.

AIRCRAFT SALE AND PURCHASE AGREEMENTS

The Board is pleased to announce that on 20 July 2020 (after trading hours), the Buyers entered into the Aircraft Sale and Purchase Agreements with the Seller, pursuant to which the Buyers agreed to purchase and the Seller agreed to sell the Aircraft. Upon the completion of the Transaction, the Aircraft will be leased back to the Seller.

Date: 20 July 2020

Parties:

- (a) the Buyers, which are both wholly-owned special purpose vehicles of the Company. The Group is principally engaged in global aircraft leasing business with a fleet of 137 owned or managed aircraft as at the date of this announcement; and
- (b) the Seller, which is principally engaged in the business of air transportation services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Assets to be acquired: the Aircraft

Completion:

It is estimated that completion of the Aircraft Sale and Purchase Agreements will take place by the end of August 2020.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) are above 5% but all are below 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of 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 Airbus A330-200 aircraft
“Aircraft Sale and Purchase Agreements”	two aircraft sale and purchase agreements entered into between the Buyers and the Seller on 20 July 2020, pursuant to which the Buyers agreed to purchase and the Seller agreed to sell the Aircraft
“Board”	the board of Directors
“Buyers”	ZJ Huangqing Leasing (Tianjin) Co., Ltd. and ZJ Zhengsheng Leasing (Tianjin) Co., Ltd., which are both incorporated in the PRC with limited liability and wholly-owned subsidiaries of the Company
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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
“percentage ratios”	has the meaning ascribed to it in Rule 14.07 of the Listing Rules

“PRC”	The People’s Republic of China
“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
“Seller”	China Southern Airlines Company Limited, a joint stock limited company incorporated under the laws of the PRC with limited liability, the H shares (stock code: 1055) and A shares (stock code: SH600029) of which are listed on the Main Board of the Stock Exchange and Shanghai Stock Exchange respectively. As disclosed in the Seller’s 2019 annual report, China Southern Air Holding Limited Company (a company incorporated under the laws of the PRC), which is the controlling shareholder of the Seller holding approximately 36.9% and is ultimately controlled by the state-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the entering into of the Aircraft Sale and Purchase Agreements and the transactions contemplated thereunder

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

Hong Kong, 20 July 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 and Mr. CHEOK Albert Saychuan.