

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**COMPLETION OF DISPOSAL OF TWO AIRCRAFT
AND
DISCLOSEABLE TRANSACTION - PROVISION OF GUARANTEE FOR
JOINT VENTURES' FINANCING**

The Board is pleased to announce that completion of the Aircraft Sale and Purchase Agreements has taken place on 29 December 2020.

The Bank provided financing to the Joint Ventures (each of which is held as to 51% by HNCA and 49% indirectly by the Company) under the Loan Agreements to acquire the Aircraft and the Company agreed to provide a guarantee in favour of the Bank under the Guarantee Agreements for the due performance of the full repayment obligations of the Joint Ventures under the Loan Agreements. HNCA provided the Counter Guarantees to counter guarantee the Company against 51% of any liability which the Company may incur under the Guarantee Agreements.

COMPLETION OF DISPOSAL OF TWO AIRCRAFT

Reference is made to the announcement of the Company dated 12 November 2019 (the “**Announcement**”) in relation to the Aircraft Sale and Purchase Agreements for the disposal of the Aircraft to the Joint Ventures (each of which is held as to 51% by HNCA and 49% indirectly by the Company). Defined terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

The Board is pleased to announce that completion of the Aircraft Sale and Purchase Agreements has taken place on 29 December 2020. The Bank provided financing to the Joint Ventures under the Loan Agreements to acquire the Aircraft.

GUARANTEE AGREEMENTS

On 29 December 2020 (after trading hours), the Company entered into the Guarantee Agreements in favour of the Bank.

Date: 29 December 2020

Parties:

- (a) the Company (as guarantor); and
- (b) the Bank (as creditor).

Guaranteed obligations:

The Company agreed to provide a guarantee in favour of the Bank for the due performance of the full repayment obligations of the Joint Ventures under the Loan Agreements, including but not limited to those with respect to the principal amount of USD68.9 million (equivalent to approximately HKD536 million) under the Loan Agreements, interest, penalty interest, compensations, liquidated damages and other expenses incurred by the Bank for the realisation of its debt and guarantee rights.

Term:

Commencing on 29 December 2020 and ending on the day falling two years after expiry of the term of the Loan Agreements.

COUNTER GUARANTEES

On 29 December 2020 (after trading hours), HNCA provided the Counter Guarantees to counter guarantee the Company against 51% of any liability which the Company may incur under the Guarantee Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE GUARANTEE AGREEMENTS

The Directors are of the view that the cooperation with HNCA which has a strong credit profile backed by government background, through the Joint Ventures, will facilitate the Company's ongoing business development and further evolve the Company's asset-light business strategy. These Joint Ventures will mark the start of the partnership with HNCA, opening up more business opportunities in the future.

The purpose of the loan facilities offered by the Bank under the Loan Agreements is for aircraft acquisition by the Joint Ventures. The Board considers that the terms and conditions of the Loan Agreements and the Guarantee Agreements are on normal commercial terms and are fair

and reasonable (having taken into account the prevailing market interest rates and practices), and in the interests of the Company and the Shareholders as a whole because the expected revenue and profits generated by the Joint Ventures will ultimately benefit the Company and the Shareholders as a whole.

The Board considered that the provision of the Guarantee Agreements by the Company and the Counter Guarantees by HNCA respectively is a reasonable arrangement and consistent with market practice.

INFORMATION ABOUT THE GROUP, THE BANK AND HNCA

The Group is principally engaged in global aircraft leasing business with a fleet of 105 owned aircraft and 23 managed aircraft as at 28 December 2020.

The business scope of the Bank includes corporate banking, offshore banking, fund, trust, financial leasing, insurance, overseas securities, loan capitalization and asset management.

HNCA is a wholly-owned subsidiary of Henan Civil Aviation Development & Investment Co. Ltd. which is wholly-owned by Henan Provincial Finance Department. The business scope of HNCA includes financial leasing; civil aircraft and aviation equipment leasing and maintenance; civil aircraft and mechanical equipment sales; aviation product technology development, technical consulting, technology transfer, technical services and import and export of goods and technologies.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Bank, HNCA and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the provision of guarantee under the Guarantee Agreements are above 5% but all are below 25%, the entering into of the Guarantee Agreements constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Bank”	Bank of Communications Co., Ltd. (交通銀行股份有限公司), a state-owned bank established under the laws of the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601328) and the Main Board of the Stock Exchange (stock code: 3328)
---------------	--

“Board”	the board of Directors
“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
“Counter Guarantees”	two counter guarantee agreements entered into among HNCA (as counter guarantor), the Company (as guarantor) and each of the Joint Ventures (as debtor) on 29 December 2020 for HNCA to counter guarantee the Company against 51% of any liability which the Company may incur under the Guarantee Agreements, the guarantee period of which shall commence from 29 December 2020, and continue to take effect until the day falling two years after the date on which the Company fulfils its full payment obligations under the Guarantee Agreements
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guarantee Agreements”	two guarantee agreements entered into between the Company (as guarantor) and the Bank (as creditor) on 29 December 2020, pursuant to which the Company agreed to provide guarantee for the due performance of the full repayment obligations of the Joint Ventures to the Bank under the Loan Agreements
“HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HNCA”	河南航投航空設備租賃有限公司 (HNCA AVIATION & EQUIPMENT LEASING CO., LTD*), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Henan Civil Aviation Development & Investment Co. Ltd. which is wholly-owned by Henan Provincial Finance Department and is ultimately controlled by the State Council of the PRC
“Joint Ventures”	HNCA&CALC ONE (TIANJIN) LEASING COMPANY LIMITED (航飛一號(天津)租賃有限公司) and HNCA&CALC TWO (TIANJIN) LEASING COMPANY LIMITED (航飛二號(天津)租賃有限公司), both of

which are companies established under the laws of the PRC with limited liability and held as to 51% by HNCA and 49% indirectly by the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	two loan agreements entered into between each of the Joint Ventures (as borrower) and the Bank (as lender) on 29 December 2020, pursuant to which the Bank agreed to lend a total loan amount of USD68.9 million (equivalent to approximately HKD536 million) to the Joint Ventures
“percentage ratios”	has the meaning ascribed to it in Rule 14.07 of the Listing Rules
“PRC”	The People’s Republic of China
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

In this announcement, the amounts denominated in USD are translated into HKD at the exchange rate shown below, but such conversions shall not be construed as representations that amount in USD were or may have been converted into HKD at such rate or any other exchange rates or at all: USD1 = HKD7.78.

** for identification purpose only*

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

Hong Kong, 29 December 2020

As at the date of this announcement, (i) the Executive Directors are Dr. 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 Dr. TSE Hiu Tung, Sheldon.