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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 FOUR LEASE-ATTACHED AIRCRAFT

The Board is pleased to announce that on 24 September 2021 (after trading hours), the Buyers entered into the Aircraft Agreements with the Seller, pursuant to which the Buyers agreed to purchase and the Seller agreed to sell the Aircraft.

AIRCRAFT AGREEMENTS

The Board is pleased to announce that on 24 September 2021 (after trading hours), the Buyers entered into the Aircraft Agreements with the Seller, pursuant to which the Buyers agreed to purchase and the Seller agreed to sell the Aircraft.

Based on the rolling encumbered valuation of the Aircraft (obtained from an independent appraiser), the consideration payable by the Company to ARI represents a discount of approximately 10% against the valuation of the Aircraft. The Aircraft are currently leasing to a Chinese airline client with reasonable return.

Being a commonly held entity of the Company, ARI forms a key part of the Group's aircraft full value chain operational strength by providing technical and engineering expertise, among other essences, which facilitates the Group to deliver total solutions to capture various market demands and to maximize value of the aircraft assets.

Date: 24 September 2021

Parties:

- (a) the Buyers, which are all wholly-owned subsidiaries of the Company. The Group is a leading full value chain aircraft solutions provider. Its scope of business includes regular operations such as aircraft operating leasing, purchase and leaseback, and structured financing, as well as value-added services such as fleet upgrade, aircraft maintenance, repair and overhaul, aircraft disassembling and component sales; and

- (b) the Seller, which is a wholly-owned subsidiary of ARI. ARI is indirectly held by the Company, Sky Cheer International Limited (an independent third party), Friedmann Pacific Asset Management Limited (one of the substantial shareholders of the Company) and China Everbright Limited (one of the substantial shareholders of the Company) as to 48%, 20%, 18% and 14% respectively. ARI is therefore a commonly held entity of the Company.

Assets to be acquired: the Aircraft

Completion:

It is estimated that completion of the Aircraft Agreements will take place by the end of October 2021.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Transaction (when aggregated with the Previous Transaction pursuant to Rule 14.22 of the Listing Rules) exceed 25% but all are below 100%, the Transaction constitutes a major 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; (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”	four Airbus A319 aircraft with leases attached
“Aircraft Agreements”	four aircraft agreements entered into between the Buyers and the Seller respectively on 24 September 2021, pursuant to which the Buyers agreed to purchase and the Seller agreed to sell the respective Aircraft
“ARI”	Aircraft Recycling International Limited, a company incorporated in the Cayman Islands with limited liability and a commonly held entity of the Company
“Board”	the board of Directors
“Buyers”	China Asset Leasing Company Limited, ZJ Zhizheng Leasing (Tianjin) Co., Ltd., ZJ Zhizhi Leasing (Tianjin) Co., Ltd. and ZJ Dagan Leasing (Tianjin) Co., Ltd., which are all incorporated in the PRC with limited liability and wholly-owned subsidiaries of the Company

“commonly held entity”	has the meaning ascribed to it under Rule 14A.27 of 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
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“Previous Transaction”	the grant of two aircraft put options by the Company under two put option deeds dated 30 September 2020. Please refer to the announcement of the Company dated 30 September 2020 for details
“Qualified Aircraft Leasing Activity”	has the meaning ascribed to it under Rule 14.04(10D) of the Listing Rules
“Qualified Aircraft Lessor”	has the meaning ascribed to it under Rule 14.04(10E) of the Listing Rules
“Seller”	China Aero Assets Leasing (Tianjin) Company Limited, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of ARI
“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 entering into of the Aircraft 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, 24 September 2021

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.