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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)

**SUCCESSFULLY ISSUE OF RMB1.5 BILLION MTN
BY CHINA ASSET LEASING COMPANY LIMITED,
A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY
AND
CONNECTED TRANSACTION**

The Board is pleased to announce that on 14 April 2022, CALC (TJ) successfully completed the issue of the RMB1.5 billion MTN with a term of 2 years plus 1 year (ie. option for CALC (TJ) to renew for 1 year, with coupon rate adjustment option for CALC (TJ) and sell-back option for investors exercisable at the end of the second year) at the coupon rate of 4.5%.

As CE Bank is an associate of China Everbright Group which in turn indirectly holds approximately 38% interest in the Company, CE Bank is therefore a connected person of the Company for the purpose of the Listing Rules. Under Chapter 14A of the Listing Rules, the Engagement constitutes a connected transaction of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the Engagement shall be aggregated together with the Previous Engagement as it was entered into within a 12-month period. It is currently expected that each of the applicable percentage ratios (other than the profit ratio) under Rule 14A.77 of the Listing Rules in respect of the Manager Remunerations, when aggregated with the manager commission and manager expenses paid by the Company under the Previous Engagement, is less than 5%. As such, the Engagement is exempt from the circular (including independent financial advice) and shareholders' approval requirements in accordance with Rule 14A.76 of the Listing Rules.

SUCCESSFULLY ISSUE OF RMB1.5 BILLION MTN

The Board is pleased to announce that as approved by the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會), on [14] April 2022, CALC (TJ), a wholly-owned subsidiary of the Company, successfully completed the issue of the MTN in the principal amount of RMB1.5 Billion in the PRC with a term of 2 years plus 1 year (ie. option for CALC (TJ) to renew for 1 year, with coupon rate adjustment option for CALC (TJ) and sell-back option for investors exercisable at the end of the second year) at the coupon rate of 4.5%. The MTN Issue marked CALC(TJ)'s largest single issuance of RMB bond, reflecting investors' recognition and confidence in its operating strength and future prospects.

CALC (TJ) has appointed CE Bank as the lead underwriter and bookrunner; and Bank of China Limited as the joint lead underwriter for the MTN Issue.

CALC (TJ) intends to use the net proceeds received from the MTN Issue for repayment of bonds due, thus significantly reducing current liabilities. The Board is of the view that the MTN Issue will shore up its liquidity as it continues to strengthen its financial position to prepare itself for China aviation industry recovery post-pandemic.

Pursuant to relevant PRC laws and regulations, certain documents in relation to the MTN Issue have been published on the websites of the China Foreign Exchange Trade System (www.chinamoney.com.cn) and the Shanghai Clearing House (www.shclearing.com) on or about 14 April 2022.

CONNECTED TRANSACTION

In connection with the MTN Issue, CALC (TJ) has engaged CE Bank to act as the lead underwriter and bookrunner. It is expected that CE Bank will receive the Manager Remunerations pursuant to the terms of the Engagement.

Commission and Expenses

CALC (TJ) agrees to pay CE Bank the Manager Remunerations in accordance with the terms of the Engagement, which is expected to be RMB2,700,000 (equivalent to approximately HK\$3,369,000).

Reasons for the Engagement

The main reason for the Engagement is to facilitate the MTN Issue. The Directors consider that the terms of the Engagement are no less favourable than those provided to other financial institutions by the Company under similar engagements.

The Directors (including the independent non-executive Directors) considered that the terms of the Engagement and the payment of the Manager Remunerations are fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. None of the Directors have a material interest in the Engagement and hence no Director shall be required to abstain from voting on the board resolution approving the Engagement.

Implications under the Listing Rules

As CE Bank is an associate of China Everbright Group which in turn indirectly holds approximately 38% interest in the Company, CE Bank is therefore a connected person of the Company for the purpose of the Listing Rules. Under Chapter 14A of the Listing Rules, the Engagement constitutes a connected transaction of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the Engagement shall be aggregated together with the Previous Engagement as it was entered into within a 12-month period. It is currently expected that each of the applicable percentage ratios (other than the profit ratio) under Rule 14A.77 of the Listing Rules in respect of the Manager Remunerations, when aggregated with the manager commission and manager expenses paid by the Company under the Previous Engagement, is less than 5%. As such, the Engagement is exempt from the circular (including independent financial advice) and shareholders' approval requirements in accordance with Rule 14A.76 of the Listing Rules.

General information of CALC (TJ), the Company, CE Bank

CALC (TJ) is an investment holding company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company.

The Company, together with its subsidiaries, is a leading full value chain aircraft solutions provider. Its scope of business includes regular operations such as aircraft leasing, purchase and leaseback, and structured finance, as well as value-added services such as fleet planning, fleet upgrade, aircraft maintenance, repair and overhaul, aircraft disassembling and recycling, and aircraft component trading.

CE Bank was established as a joint stock company with limited liability in the PRC, the H shares and A shares of which are listed on the Main Board of the Stock Exchange (stock code: 6818) and Shanghai Stock Exchange (stock code: SH 601818) and is one of the major commercial banks in the PRC, and primarily engages in the commercial banking business, including retail banking, corporate banking and treasury operation, etc. CE Bank is an associate of China Everbright Group.

DEFINITIONS

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“CALC (TJ)”	China Asset Leasing Company Limited (中飛租融資租賃有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“CE Bank”	China Everbright Bank Co., Ltd.
“China Everbright Group”	China Everbright Group Ltd.
“Company”	China Aircraft Leasing Group Holdings Limited, a company incorporated with limited liability in the Cayman Islands, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code:1848)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Engagement”	the engagement by CALC (TJ) of CE Bank to act as the lead underwriter and bookrunner in respect of the MTN Issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager Remunerations”	(i) Manager commission: the combined management and underwriting commission payable by CALC (TJ) to CE Bank for services rendered by CE Bank; and (ii) Manager expenses: all costs and expenses incidental to the performance of CALC (TJ)’s obligations under the Engagement as incurred by CE Bank
“MTN”	the medium term notes with an aggregate principal amount of RMB1.5 billion
“MTN Issue”	the issue of the MTN by CALC (TJ)

“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administration Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Previous Engagements”	(i) the engagement by CALC (TJ) of CE Bank to act as the lead underwriter and bookrunner in respect of the issuance of RMB1 billion super short-term debentures by CALC (TJ) on 28 July 2021; and (ii) the engagement by the Company of the Hong Kong branch of CE Bank and China Everbright Securities International Limited to act as two of the managers in respect of the issuance of US\$100 million 4.85% guaranteed notes due 2024 which are listed on the Stock Exchange on 24 December 2021 (stock code: 40972)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holders of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	the U.S. dollar(s), the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 14 April 2022

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. WANG Hongyang; 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.