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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 TEN AIRCRAFT**

The Board is pleased to announce that on 17 May 2022 (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 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 17 May 2022 (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 completion of the Transaction, the Aircraft will be leased back to the Seller.

The completion of the Transaction will enable the Group to enlarge its owned fleet size while deepening its long-term cooperative relationship with airline clients. The Aircraft will be designated as reserve resources and will be handed over to the Group's aviation aftermarket platform after lease end, exploiting its professional one-stop disposal capabilities for middle and old age aircraft to maximize value of the Aircraft and enhance the Group's full value chain aircraft asset management capabilities.

Date: 17 May 2022

Parties:

- (a) the Buyers, which are all wholly-owned special purpose vehicles of the Company. The Group 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 financing, 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; 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 June 2022.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Transaction exceed 25% but all are below 100%, the Transaction would constitute 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 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:

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| “Aircraft” | ten Boeing B737-700 aircraft |
| “Aircraft Sale and Purchase Agreements” | ten aircraft sale and purchase agreements entered into between the Buyers and the Seller respectively on 17 May 2022, pursuant to which the Buyers agreed to purchase and the Seller agreed to sell the respective Aircraft |
| “Board” | the board of Directors |
| “Buyers” | 建鳳五號租賃(天津)有限公司 (Jianfeng 5 Leasing (Tianjin) Co. Ltd.*), 建鳳六號租賃(天津)有限公司 (Jianfeng 6 Leasing (Tianjin) Co. Ltd.*), 建鳳七號租賃(天津)有限公司 (Jianfeng 7 Leasing (Tianjin) Co. Ltd.*), 建鳳八號租賃(天津)有限公司 (Jianfeng 8 Leasing (Tianjin) Co. Ltd.*), 建鳳九號租賃(天津)有限公司 (Jianfeng 9 Leasing (Tianjin) Co. Ltd.*), 建鳳十號租賃(天津)有限公司 (Jianfeng 10 Leasing (Tianjin) Co. Ltd.*), 中機崇禎租賃(天津)有限公司 (ZJ Chongzhen Leasing (Tianjin) Co., Ltd.), 中機會昌租賃(天津)有限公司 (ZJ Huichang Leasing (Tianjin) Co., Ltd.), 中機靖康租賃(天津)有限公司 (ZJ Jingkang Leasing (Tianjin) Co., Ltd.) and 中機弘治租賃(天津)有限公司 (ZJ Hongzhi Leasing (Tianjin) Co., Ltd.), which are all incorporated in the PRC with limited liability and wholly-owned special purpose vehicles 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 under Rule 14.07 of the Listing Rules
“PRC”	The People’s Republic of China
“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 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
“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, 17 May 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.

** for identification purpose only*