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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF TWO AIRCRAFT ENGINES**

**AGREEMENT IN RELATION TO THE ACQUISITION OF THE ENGINES**

The Board is pleased to announce that on 23 June 2022 (after trading hours), the parties entered into the Agreement, pursuant to which Skylink Global agreed to sell and CALC Global agreed to acquire the Special Purpose Vehicle owning direct interests in the Engines.

**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 5% but all are below 25%, the Transaction constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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**Date:** 23 June 2022

**Parties:**

- (a) Skylink Global (a wholly-owned subsidiary of ARI which is a commonly held entity of the Company);
- (b) CALC Global (a wholly-owned subsidiary of the Company); and
- (c) the Special Purpose Vehicle.

**Assets to be acquired:** the Special Purpose Vehicle owning direct interests in the Engines.

**Consideration:**

The Consideration for the acquisition of the Engines is US\$8.3 million (equivalent to approximately HK\$64.7 million) which will be paid by CALC Global upon completion.

Based on the rolling encumbered valuation of the Engines of approximately US\$9.1 million (equivalent to approximately HK\$70.9 million) (obtained from an independent appraiser), the Consideration payable by CALC Global to Skylink Global represents a discount of approximately 9% against the valuation of the Engines.

The Board considers that the Consideration was determined on an arm's length basis upon negotiation in accordance with the Group's customary business practices, taking into account the valuation of the relevant Engines and the terms and conditions of the Transaction as a whole and with reference to market conditions.

**Completion:**

It is estimated that completion of the Agreement will take place by the end of June 2022.

**Source of funding:**

The Consideration will be settled from the Group's internal resources and/or the proceeds of loans or other borrowings by the Group.

**Financial information of the Special Purpose Vehicle:**

Set out below are net profits of the Special Purpose Vehicle for the two financial years immediately preceding the Transaction:

<b>For the financial year ended</b>	<b>Net profit before taxation</b>	<b>Net profit after taxation</b>
31 December 2020	US\$15,938 (equivalent to approximately HK\$124,157)	US\$11,954 (equivalent to approximately HK\$93,122)
31 December 2021	US\$7,824 (equivalent to approximately HK\$60,949)	US\$5,868 (equivalent to approximately HK\$45,712)

## **INFORMATION ABOUT THE PARTIES**

CALC Global is an investment holding company and a wholly-owned subsidiary 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, portfolio trading and asset management, 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.

The Special Purpose Vehicle is a wholly-owned subsidiary of Skylink Global as at the date of this announcement. The only business of the Special Purpose Vehicle is the leasing of the Engines.

Skylink Global is an investment holding company and 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.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION**

Aircraft and component trading (including engines) is in the ordinary course of business of the Group, which has aircraft full value chain operational strength. The Engines acquired through the Transaction are currently leasing to an overseas airline client with reasonable return, which further enriches the Group's asset portfolio and facilitates the Group to broaden its business cooperation and deepen its long-term cooperative relationship with the overseas airline client, and continue to enhance its full value chain asset management capability.

The Board has confirmed that (1) the Transaction is entered into by the Company in its ordinary and usual course of business and on normal commercial terms; (2) the Transaction will have no material adverse impact on the Company's operations and financial position; and (3) the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **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 5% but all are below 25%, the Transaction constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

<b>“Agreement”</b>	the agreement entered into among Skylink Global, CALC Global and the Special Purpose Vehicle on 23 June 2022, pursuant to which Skylink Global agreed to sell and CALC Global agreed to acquire the Special Purpose Vehicle owning direct interests in the Engines
<b>“ARI”</b>	Aircraft Recycling International Limited, a company incorporated in the Cayman Islands with limited liability and a commonly held entity of the Company
<b>“Board”</b>	the board of Directors
<b>“CALC Global”</b>	CALC Global Leasing Limited, a company incorporated in Ireland with limited liability and a wholly-owned subsidiary of the Company
<b>“commonly held entity”</b>	has the meaning ascribed to it under Rule 14A.27 of the Listing Rules
<b>“Company”</b>	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
<b>“Consideration”</b>	the actual consideration payable by CALC Global to Skylink Global for the acquisition of the Special Purpose Vehicle
<b>“Directors”</b>	the directors of the Company
<b>“Engines”</b>	two IAE V2533E-A5 engines with leases attached
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“percentage ratio(s)”</b>	has the meaning ascribed to it under Rule 14.07 of the Listing Rules

<b>“Previous Transaction”</b>	the acquisition of four aircraft by the Company under four aircraft agreements dated 24 September 2021. Please refer to the announcement of the Company dated 24 September 2021 for details
<b>“Shareholders”</b>	the shareholders of the Company
<b>“Skylink Global”</b>	Skylink Global Leasing Limited, a company incorporated in Ireland with limited liability and a wholly-owned subsidiary of ARI
<b>“Special Purpose Vehicle”</b>	Skylink 1-Aircraft Leasing Limited, a company incorporated in Ireland with limited liability and a wholly-owned subsidiary of Skylink Global as at the date of this announcement
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“substantial shareholders”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Transaction”</b>	the entering into of the Agreement and the transaction contemplated thereunder
<b>“US\$”</b>	United States dollars, the lawful currency of the United States of America
<b>“%”</b>	per cent.

*In this announcement, the amounts denominated in US\$ are translated into HK\$ at the exchange rate shown below, but such conversions shall not be construed as representations that amounts in US\$ were or may have been converted into HK\$ at such rate or any other exchange rate or at all: US\$1 = HK\$7.79.*

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

Hong Kong, 23 June 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. CHEOK Albert Saychuan and Dr. TSE Hiu Tung, Sheldon.*