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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)**

**VERY SUBSTANTIAL DISPOSAL**

**(1) DISPOSAL OF TWO AIRCRAFT UNDER  
INITIAL AIRCRAFT PORTFOLIO TO CAG**

**AND**

**(2) DISPOSAL OF TWO ADDITIONAL AIRCRAFT TO CAG**

**(1) INITIAL AIRCRAFT PORTFOLIO**

The Board is pleased to announce that on 14 December 2018 (after trading hours), the Company disposed of the Portfolio Aircraft under the Initial Aircraft Portfolio to CAG. Accordingly, as at the date of this announcement, the disposal of 16 aircraft under the Initial Aircraft Portfolio was completed.

**(2) SHARE PURCHASE AGREEMENTS**

In addition to the disposal of the Portfolio Aircraft to CAG, the Board is also pleased to announce that on 14 December 2018 (after trading hours), the Company (through its two wholly-owned special purpose vehicles, as vendors) entered into the Share Purchase Agreements with CAG, pursuant to which the Company agreed to sell and CAG agreed to purchase the Additional Aircraft by way of transferring the entire issued share capital of the two special purpose vehicles owning direct interest in the Additional Aircraft.

As at the date of this announcement, the Company has sold a total of 18 aircraft to CAG, including 16 aircraft under the Initial Aircraft Portfolio.

**IMPLICATION OF THE LISTING RULES**

The Transactions are Qualified Aircraft Leasing Activities and are subject to the disclosure requirements under Rule 14.33D of the Listing Rules.

Reference is made to the announcements of the Company dated 28 December 2017 and 18 January 2018 in relation to the disposal of the Initial Aircraft Portfolio and additional aircraft as well as the announcement dated 26 June 2018 in relation to the establishment of CAG.

## **(1) INITIAL AIRCRAFT PORTFOLIO**

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## **(2) SHARE PURCHASE AGREEMENTS**

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**Date:** 14 December 2018

### **Parties**

- (a) the Company, through its two wholly-owned special purpose vehicles (as vendors); and
- (b) CAG (as purchaser).

### **Subject to be disposed**

Two special purpose vehicles owning direct interest in the Additional Aircraft.

### **Completion**

Completion of the Share Purchase Agreements took place on 14 December 2018.

## **INFORMATION ABOUT THE GROUP AND CAG**

The Group is principally engaged in global aircraft leasing business with a fleet of 114 owned and 18 managed aircraft as at the date of this announcement.

To the knowledge of the Directors, CAG is principally engaged in investment of aircraft assets. CAG is held as to 80% by the Mezzanine Financiers and 20% by the Group, and is funded by way of mezzanine financing and shareholders' loan.

To the best of the Director's knowledge, information and belief and having made all reasonable enquiry, CAG and its ultimate beneficial owners (other than the Group as disclosed above) are third parties independent of the Company and its connected persons.

## IMPLICATIONS OF THE LISTING RULES

The Transactions are Qualified Aircraft Leasing Activities and are 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 Transactions are entered into by the Company in its ordinary and usual course of business and on normal commercial terms; and (3) the terms of the Transactions 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:

<b>“Additional Aircraft”</b>	two additional Airbus A320ceo aircraft disposed to CAG
<b>“Board”</b>	the board of Directors
<b>“CAG”</b>	CAG Bermuda 1 Limited, an aircraft investment vehicle incorporated in Bermuda with limited liability by the Company and the Mezzanine Financiers
<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>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Initial Aircraft Portfolio”</b>	the portfolio consisting of 18 aircraft disposed / to be disposed by the Company to CAG. Please refer to the circular of the Company dated 29 December 2017 for details
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Mezzanine Financiers”</b>	the mezzanine tranche financiers of CAG, being third parties independent of the Company and its connected persons
<b>“Portfolio Aircraft”</b>	two aircraft under the Initial Aircraft Portfolio disposed to CAG on 14 December 2018
<b>“Qualified Aircraft Leasing Activity”</b>	has the meaning ascribed to it in Rule 14.04(10D) of the Listing Rules

<b>“Qualified Aircraft Lessor”</b>	has the meaning ascribed to it in Rule 14.04(10E) of the Listing Rules
<b>“Share Purchase Agreements”</b>	the two share purchase agreements entered into between CAG and the Company (through its two wholly-owned special purpose vehicles, as vendors) on 14 December 2018, pursuant to which the Company agreed to sell and CAG agreed to purchase the Additional Aircraft by way of transferring the entire issued share capital of the two special purpose vehicles owning direct interest in the Additional Aircraft
<b>“Shareholders”</b>	the shareholders of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Transactions”</b>	the transactions contemplated under the Share Purchase Agreements

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

Hong Kong, 14 December 2018

*As at the date of this announcement, (i) the Executive Directors are Mr. CHEN Shuang, JP, Mr. POON Ho Man and Ms. LIU Wanting; (ii) the Non-executive Directors are 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 Mr. CHOW Kwong Fai, Edward, JP.*