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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)

SALE OF TWO AIRCRAFT

The Board is pleased to announce that on 17 January 2023 (after trading hours), two wholly-owned special purpose vehicles of the Company (the Sellers) and the Seller Parent entered into the Aircraft Sale and Purchase Agreements with an independent third party (the Purchaser), the Purchaser Parent and the Purchaser Guarantor in relation to the sale of the Two Aircraft. The sale transaction is expected to be completed in February 2023.

AIRCRAFT SALE AND PURCHASE AGREEMENTS

The Board is pleased to announce that on 17 January 2023 (after trading hours), the parties entered into the Aircraft Sale and Purchase Agreements, pursuant to which the Sellers agreed to sell and the Purchaser agreed to purchase the Two Aircraft.

Aircraft trading is one of the Group's ordinary course of businesses. The sale transaction will increase the Group's net income from aircraft trading and satisfy the market's demand for aircraft.

Date: 17 January 2023

Parties:

- (a) the Sellers, which are both wholly-owned special purpose vehicles of the Seller Parent, China Aircraft Leasing Company Limited;
- (b) the Seller Parent, China Aircraft Leasing Company Limited, which is 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;

- (c) the Purchaser, which is principally engaged in the aviation leasing business, and a wholly-owned subsidiary of the Purchaser Parent;
- (d) the Purchaser Parent, which is a designated activity company incorporated in Ireland, and beneficially owned and controlled by the Purchaser Guarantor; and
- (e) the Purchaser Guarantor, which is a limited partnership managed by Avenue Capital Group which is a global investment firm with business all over the United States of America, Europe and Asia.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser Parent, the Purchaser Guarantor and their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Assets to be sold : two Airbus A320-200 aircraft

Completion : It is estimated that completion of the Aircraft Sale and Purchase Agreements will take place in February 2023.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Transaction exceed 5% but all are below 25%, the Transaction would constitute a discloseable 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 Sale and Purchase Agreements” two aircraft sale and purchase agreements entered into between the Sellers, the Seller Parent, the Purchaser, the Purchaser Parent and the Purchaser Guarantor respectively on 17 January 2023, pursuant to which the Sellers agreed to sell and the Purchaser agreed to purchase the Two Aircraft

“Avenue Capital” Avenue Capital Group, a global investment firm headquartered in New York, the United States of America and is controlled by its co-founders, Mr. Marc Lasry and Ms. Sonia Gardner

“Board”	the board of Directors
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Purchaser”	Bulbul Aircraft Leasing Limited, a company incorporated in Ireland with limited liability, and a wholly-owned subsidiary of the Purchaser Parent
“Purchaser Guarantor”	Avenue Aviation Opportunities Fund III (Onshore), L.P, a limited partnership incorporated in Delaware, the United States of America, and managed by Avenue Capital
“Purchaser Parent”	Bulbul Aviation Holdings Designated Activity Company, a designated activity company incorporated in Ireland, and beneficially owned and controlled by the Purchaser Guarantor
“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
“Sellers”	CALC-19 Aircraft Limited and CALC-20 Aircraft Limited, which are both incorporated in Ireland with limited liability and wholly-owned special purpose vehicles of the Seller Parent
“Seller Parent”	China Aircraft Leasing Company Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“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 transactions contemplated thereunder
“Two Aircraft”	two Airbus A320-200 aircraft to be sold to the Purchaser

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

Hong Kong, 17 January 2023

As at the date of this announcement, (i) the Executive Directors are Mr. ZHANG Mingao, 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.