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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)

INSIDE INFORMATION BUSINESS UPDATE – NOVATION ARRANGEMENT

Reference is made to the announcements of the Company dated 14 June 2017, 24 December 2018, 31 December 2018, 26 November 2019 and 25 March 2021, respectively, in relation to, among other things, the entering into of the Aircraft Purchase Agreement with Boeing, the placing of an order for Aircraft with Boeing and the adjustment of the order to 66 Aircraft. As at the date of this announcement, one Aircraft has been delivered from Boeing to the Group and one Aircraft is expected to be delivered from Boeing to the Group in September 2023.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 14 August 2023 (after trading hours in Hong Kong), the Company (through a wholly-owned subsidiary of the Company, i.e. the Novator) entered into the Novation Agreement with the Novatee pursuant to which the Novator's commitment to purchase the remaining 64 Aircraft from Boeing shall be novated to the Novatee (the "**Novation Arrangement**"). To facilitate and as part of the Novation Arrangement, another subsidiary of the Company (i.e., the Seller) entered into a sale and purchase agreement with the Novatee to transfer the interest in 12 special purpose vehicles with no assets at nominal value. In consideration of the Novation, the Seller shall be paid by the Novatee an aggregate amount substantially determined by reference to the pre-delivery payments (together with interest on a portion of the pre-delivery payments for a limited period of time) which the Group has made to Boeing for the 64 Aircraft. It is estimated that completion of the Novation Arrangement will take place on or about 30 August 2023. As (i) the Novation Arrangement is intended to novate the Group's rights, interests and obligations under the Aircraft Purchase Agreement in respect of the remaining 64 Aircraft to the Novatee and does not involve the sale or disposal of any assets by the Group to the Novatee and (ii) on the basis that the sale and purchase of the special purpose vehicles is at nominal value, the Board does not consider the Novation Arrangement requiring the Company's compliance with the requirements under Chapter 14 of the Listing Rules.

The Novatee is principally engaged in providing aviation services and its ultimate beneficial owner is the Investment Corporation of Dubai. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Novatee and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The Board considers that the Novation Arrangement represents a good opportunity for the Group to adjust its Boeing fleet portfolio so as to provide flexibility to the Group's existing operations and contribute to its long-term sustainable development. In its ordinary and usual course of business, the Group will continue to consider from time to time the acquisition of further aircraft from Boeing (pursuant to any future agreements or otherwise) or other aircraft manufacturers.

The Board has confirmed that (1) the Company has fulfilled the criteria for a Qualified Aircraft Lessor; (2) the Novation Arrangement is entered into by the Company (through its wholly-owned subsidiaries) in its ordinary and usual course of business and on normal commercial terms; and (3) the terms of the Novation Arrangement 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”	Boeing 737 MAX series aircraft
“Aircraft Purchase Agreement”	the master aircraft purchase agreement dated 14 June 2017 entered into between the Novator and Boeing for the placing of order for Aircraft with Boeing (as amended and/or supplemented from time to time)
“Board”	the board of Directors
“Boeing”	The Boeing Company, a corporation organized and existing under the General Corporation Law of the State of Delaware, U.S.A.
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Novatee”	DAE AVIATION GROUP LTD, a company incorporated under the laws of the Dubai International Financial Centre
“Novation”	the entering into the Novation Agreement and the novation contemplated thereunder

“Novation Arrangement”	has the meaning ascribed to it under this announcement
“Novation Agreement”	the novation agreement entered into between the Novator and the Novatee on 14 August 2023 (after trading hours in Hong Kong) for the novation of all of Novator’s rights, interests and obligations with Boeing for 64 Aircraft
“Novator”	CALC Aircraft Assets Limited, a company incorporated in the Cayman Islands and a wholly-owned subsidiary of the Company
“Qualified Aircraft Lessor”	has the meaning ascribed to it under Rule 14.04(10E) of the Listing Rules
“Seller”	China Aircraft Leasing Company Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 14 August 2023

As at the date of this announcement, (i) the Executive Directors are Mr. ZHANG Mingao (Chairman), Mr. POON Ho Man (Chief Executive Officer) and Ms. LIU Wanting (Chief Commercial Officer); (ii) the Non-executive Director is Ms. WANG Yun; and (iii) the Independent Non-executive Directors are Mr. CHEOK Albert Saychuan, Dr. TSE Hiu Tung, Sheldon and Mr. FAN Chun Wah, Andrew, J.P.