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## **中國太平保險控股有限公司**

China Taiping Insurance Holdings Company Limited  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 966)

### **DISCLOSEABLE TRANSACTION ACQUISITION OF OPERATING LEASE ATTACHED AIRCRAFT**

#### **THE AIRCRAFT PORTFOLIO SALE AND PURCHASE AGREEMENT**

The Board hereby announces that on 29 May 2024 (after trading hours), the Purchasers, being the subsidiaries of the Company, entered into the Aircraft Portfolio Sale and Purchase Agreement with the Seller Parent and the Sellers, pursuant to which, the Sellers agreed to sell and the Purchasers agreed to purchase the Aircraft. At completion of the Transaction, the applicable Seller and the applicable Purchaser will concurrently enter into the Lease Transfer Agreement in respect of such Aircraft, whereby the applicable Seller agrees to novate its rights and obligations under the applicable Aircraft Lease Agreement from the date of the relevant Lease Transfer Agreement to the relevant Purchaser and the relevant Purchaser (as the new lessor) agrees to assume all the rights and obligations of the applicable Seller in and under such Aircraft Lease Agreement from the date of such Lease Transfer Agreement.

Reference is made to the Previous Aircraft Portfolio Sale and Purchase Agreement entered into among TP 28, the Seller Parent and the Previous Seller in the past 12 months prior to the Transaction, pursuant to which the Previous Seller agreed to sell and TP 28 agreed to purchase the Aircraft II. At completion of the Previous Transaction, the Previous Lessor and TP 28 shall concurrently enter into the Previous Lease Transfer Agreements, whereby the Previous Lessor agrees to novate its rights and obligations under the applicable Previous Aircraft Lease Agreements from the date of the Previous Lease Transfer Agreements to TP 28 and TP 28 (as the new lessor) agrees to assume all the rights and obligations of the Previous Lessor in and under the Previous Aircraft Lease Agreements from the date of the Previous Lease Transfer Agreements. According to Chapter 14 of the Listing Rules, the highest applicable percentage ratio of the Previous Transaction was lower than 5%. As such, the Previous Transaction was not subject to the announcement requirement under Chapter 14 of the Listing Rules.

#### **LISTING RULES IMPLICATIONS**

Considering that the Previous Seller and the Sellers are subsidiaries of the Seller Parent, for the purpose of transaction classification under Chapter 14 of the Listing Rules, the Transaction and the Previous Transaction are aggregated according to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Transaction, when calculated on a standalone basis or aggregated with the Previous Transaction, is above 5% but is below 25%, the Transaction constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board hereby announces that on 29 May 2024 (after trading hours), the Purchasers, being the subsidiaries of the Company, entered into the Aircraft Portfolio Sale and Purchase Agreement with the Seller Parent and the Sellers, pursuant to which, the Sellers agreed to sell and the Purchasers agreed to purchase the Aircraft. At completion of the Transaction, the applicable Seller and the applicable Purchaser will concurrently enter into the Lease Transfer Agreement in respect of such Aircraft, whereby the applicable Seller agrees to novate its rights and obligations under the applicable Aircraft Lease Agreement from the date of the relevant Lease Transfer Agreement to the relevant Purchaser and the relevant Purchaser (as the new lessor) agrees to assume all the rights and obligations of the applicable Seller in and under such Aircraft Lease Agreement from the date of such Lease Transfer Agreement.

## **THE AIRCRAFT PORTFOLIO SALE AND PURCHASE AGREEMENT**

Details of the Aircraft Portfolio Sale and Purchase Agreement are summarised as follows:

### **Date:**

29 May 2024

### **Parties**

- (i) the Purchasers, namely Jixiang BJ1 and Jixiang SZ1, being the subsidiaries of the Company;
- (ii) the Seller Parent; and
- (iii) the Sellers.

### **Aircraft to be Acquired**

The Aircraft

### **Consideration**

The Purchasers are subject to a confidentiality obligation under which no disclosure with respect to the terms of the Aircraft Portfolio Sale and Purchase Agreement shall be made to any third party, save with the consent of the Sellers and the Seller Parent. For the Company's compliance with its disclosure obligations normally required under Chapter 14 of the Listing Rules, the Purchasers have obtained prior consent from the Sellers and the Seller Parent to disclose the terms of the Aircraft Portfolio Sale and Purchase Agreement, other than the Consideration.

As an alternative to disclosing the Consideration for the Transaction, the Company will disclose the Market Appraised Value of the Aircraft. The Market Appraised Value is made by an independent appraiser and is approximately USD221.1 million (equivalent to approximately HK\$1,731.5 million at an exchange rate of US\$1 = HK\$7.83). The Consideration is of no material difference from the Market Appraised Value. The Board considers that the Consideration was determined on an arm's length basis, taking into account the Market Appraised Value, and the terms and conditions of the Transaction as a whole and with reference to market conditions.

The Purchasers and the Company are unable to access the net book value of the Aircraft and the net profits (both before and after tax) attributable to the Aircraft for the two financial years immediately preceding the Transaction (collectively, the “**Historical Details**”) as the Aircraft were owned by the Sellers and operated by the lessees to the respective Aircraft Lease Agreements, whose business is providing scheduled air transportation services. The Historical Details are commercially sensitive and not available to the Company. When assessing the purchase terms of the Aircraft, the Company mainly used the Market Appraised Value, the internal return rate and the prevailing market practice in the aviation industry as reference without any of the Historical Details.

As an alternative to disclosing the net profits (both before and after tax) attributable to the Aircraft for the two financial years immediately preceding the Transaction, the Company will disclose the internal return rate. The internal return rate is one of the main factors considered by the Group when evaluating risks and returns involved in the purchase of aircraft asset portfolios and assessing the reasonableness of premium. The Group would expect a stable internal return rate being no less than 5%, which is consistent with transactions with a similar nature in the market. The Company confirms that there is no deviation from the method adopted by the Group when evaluating the Transaction, and the internal return rate of the Transaction is expected to be above 5%, which falls within the scope of that of the Group’s previous similar transactions and market similar transactions.

### **Conditions Precedent**

Completion of the Transaction is conditional upon fulfilment or waiver by the relevant parties of certain conditions, including but not limited to, the provision of relevant documentation in form and substance satisfactory to the parties, due execution of a lease novation and amendment agreement and/or ancillary agreements by the parties.

### **Payment and Delivery Terms**

The Consideration will be paid before completion of the purchase of the Aircraft, which is estimated to occur by the end of December 2024.

At completion of the Transaction, the applicable Seller will concurrently novate the relevant Aircraft Lease Agreement to the relevant Purchaser or its nominee(s) (as the new lessor), who will assume all rights and obligations of the relevant Seller under the relevant Aircraft Lease Agreement.

### **Source of Funding**

The Consideration was funded through cash on hand, bank loans and cash generated from the business operations of TSFL and the Purchasers.

### **THE PREVIOUS AIRCRAFT PORTFOLIO SALE AND PURCHASE AGREEMENT**

Reference is made to the Previous Aircraft Portfolio Sale and Purchase Agreement entered into among TP 28, the Seller Parent and the Previous Seller in the past 12 months prior to the Transaction, pursuant to which the Previous Seller agreed to sell and TP 28 agreed to purchase the Aircraft II. At completion of the Previous Transaction, the Previous Lessor and TP 28 shall concurrently enter into the Previous Lease Transfer Agreements, whereby the Previous Lessor agrees to novate its rights and obligations under the applicable Previous Aircraft Lease Agreements from the date of the Previous Lease Transfer Agreements to TP 28 and TP 28 (as the new lessor) agrees to assume all the rights and obligations of the Previous Lessor in and under the Previous Aircraft Lease Agreements from the date of the Previous Lease Transfer Agreements. According to Chapter 14 of the Listing Rules, the highest applicable percentage ratio of the Previous Transaction was lower than 5%. As such, the Previous Transaction was not subject to the announcement requirement under Chapter 14 of the Listing Rules.

Details of the Previous Aircraft Portfolio Sale and Purchase Agreement are summarised as follows:

**Date:**

10 April 2024

**Parties**

- (i) TP 28, a subsidiary of the Company, as purchaser;
- (ii) the Seller Parent; and
- (iii) the Previous Seller.

**Aircraft to be Acquired**

The Aircraft II

**The Previous Consideration**

TP 28 is subject to a confidentiality obligation under which no disclosure with respect to the terms of the Previous Aircraft Portfolio Sale and Purchase Agreement shall be made to any third party, save with the consent of the Previous Seller and the Seller Parent. For the Company's compliance with its disclosure obligations normally required under Chapter 14 of the Listing Rules, TP 28 has obtained prior consent from the Previous Seller and the Seller Parent to disclose the terms of the Previous Aircraft Portfolio Sale and Purchase Agreement, other than the Previous Consideration.

As an alternative to disclosing the Previous Consideration for the Previous Transaction, the Company will disclose the market appraised value of Aircraft II. The market appraised value of Aircraft II is made by an independent appraiser and is approximately USD154.7 million (equivalent to approximately HK\$1,211.2 million at an exchange rate of US\$1 = HK\$7.83). The Previous Consideration was of no material difference from the market appraised value of Aircraft II. The Board considered that the Previous Consideration was determined on an arm's length basis, taking into account the market appraised value of Aircraft II, and the terms and conditions of the Previous Transaction as a whole and with reference to market conditions.

TP 28 and the Company are unable to access the net book value of the Aircraft II and the net profits (both before and after tax) attributable to the Aircraft II for the two financial years immediately preceding the Previous Transaction (collectively, the "**Historical Details II**") as the Aircraft II were owned by the Previous Seller and operated by the lessees to the respective Previous Aircraft Lease Agreements, whose business is providing scheduled air transportation services. The Historical Details II are commercially sensitive and not available to the Company. When assessing the purchase terms of the Aircraft II, the Company mainly used the market appraised value of Aircraft II, the internal return rate and the prevailing market practice in the aviation industry as reference without any of the Historical Details II.

As an alternative to disclosing the net profits (both before and after tax) attributable to the Aircraft II for the two financial years immediately preceding the Previous Transaction, the Company will disclose the internal return rate. The internal return rate is one of the main factors considered by the Group when evaluating risks and returns involved in the purchase of aircraft asset portfolios and assessing the reasonableness of premium. The Group would expect a stable internal return rate being no less than 5%, which is consistent with transactions with a similar nature in the market. The Company confirms that there is no deviation from the method adopted by the Group when evaluating the Previous Transaction, and the internal return rate of the Previous Transaction is expected to be above 5%, which falls within the scope of that of the Group's previous similar transactions and market similar transactions.

## **Conditions Precedent**

Completion of the Previous Transaction is conditional upon fulfilment or waiver by the relevant parties of certain conditions, including but not limited to, the provision of relevant documentation in form and substance satisfactory to the parties, due execution of a lease novation and amendment agreement and/or ancillary agreements by the parties.

## **Payment and Delivery Terms**

The Previous Consideration will be paid before completion of the purchase of the Aircraft II, which is estimated to occur by the end of September 2024.

At completion of the Previous Transaction, the Previous Lessor will concurrently novate the Previous Aircraft Lease Agreements to TP 28 or its nominee(s) (as the new lessor), who will assume all rights and obligations of the Previous Lessor under the Previous Aircraft Lease Agreements.

## **Source of Funding**

The Previous Consideration was funded through cash on hand, bank loans and cash generated from the business operations of TSFL and TP 28.

The Company believes that if the Company was required to disclose the Consideration and the Previous Consideration, sellers in the aircraft industry including the Sellers, the Previous Seller and/or the Seller Parent would not have entered into any aircraft portfolio sale and purchase agreements with the Group, and it is also likely that the Group would not be able to enter into similar future transactions with sellers in the aircraft industry including the Sellers, the Previous Seller and/or the Seller Parent. Any such disclosure would therefore not be in the interests of the Company and the Shareholders as a whole.

The Company has therefore applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with Rule 14.58(4), Rule 14.58(6) and Rule 14.58(7) of the Listing Rules in respect of disclosure of the Consideration, the Previous Consideration, the book value of the Aircraft and Aircraft II and the net profits (both before and after tax) attributable to the Aircraft and Aircraft II for the two financial years immediately preceding the Transaction and the Previous Transaction, respectively.

## **REASONS FOR ENTERING INTO THE TRANSACTION AND THE PREVIOUS TRANSACTION**

The Directors are of the view that completion of each of the Transaction and the Previous Transaction will not only accelerate expansion and diversification of TSFL's fleet portfolio, but will also grow its customer base as part of its strategy to develop its aircraft leasing business. TSFL also keeps exploring aircraft sources in addition to new order books with manufacturers, secondary markets, and purchase and leasebacks. Portfolio trading will enhance the Group's sourcing flexibility, which is an important tool for TSFL to optimise its asset value through active fleet management going forward.

The Directors consider that the respective terms of the Aircraft Portfolio Sale and Purchase Agreement and the Previous Aircraft Portfolio Sale and Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Considering that the Previous Seller and the Sellers are subsidiaries of the Seller Parent, for the purpose of transaction classification under Chapter 14 of the Listing Rules, the Transaction and the Previous Transaction are aggregated according to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Transaction, when calculated on a standalone basis and aggregated with the Previous Transaction, is above 5% but is below 25%, the Transaction constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL INFORMATION**

### ***Information of the Company***

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the underwriting of direct life insurance business in the Mainland, Hong Kong and Macau of the PRC and Singapore, direct property and casualty insurance business in the Mainland, Hong Kong and Macau of the PRC and overseas, pension and group life business, and all classes of global reinsurance business. The Company's subsidiaries also carry on operations in asset management, insurance intermediary, finance leasing, property investment, medical health and elderly care investment, securities dealing and broking business.

### ***Information of Jixiang BJ1***

Jixiang BJ1, a subsidiary of the Group, is a special purpose vehicle established in the PRC, the principal activity of which is financial leasing. As at the date of this announcement, Jixiang BJ1 is wholly owned by TSFL.

### ***Information of Jixiang SZ1***

Jixiang SZ1, a subsidiary of the Group, is a special purpose vehicle established in the PRC, the principal activity of which is financial leasing. As at the date of this announcement, Jixiang SZ1 is wholly owned by TSFL.

### ***Information of TP 28***

TP 28, a subsidiary of the Group, is a special purpose vehicle established in the PRC, the principal activity of which is financial leasing. As at the date of this announcement, TP 28 is wholly-owned by TSFL.

### ***Information of TSFL***

TSFL, a non-wholly owned subsidiary of the Group, is a limited liability company established in the PRC and is principally engaged in finance leasing, transfers or acquisitions of subject assets of finance leases, investment in fixed-income securities, taking in deposits of finance leases from lessees and three-month or longer term deposits from non-banking shareholders, inter-bank lending, borrowings from financial institutions, offshore borrowings, sales and handling of leased assets, and economic consultation and such other businesses as approved by the National Financial Regulatory Administration. As at the date of this announcement, TSFL is owned as to 50% by TPL and China Petrochemical Corporation, respectively.

### ***Information of the Sellers, the Previous Seller, the Previous Lessor and the Seller Parent***

Each of the Sellers, the Previous Seller and the Previous Lessor is a subsidiary of the Seller Parent, ALC. ALC is an aircraft leasing company incorporated in the state of Delaware, the USA, which is principally engaged in purchasing commercial aircraft and leasing them to airlines worldwide. ALC is a company listed on the New York Stock Exchange (NYSE: AL).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sellers, the Previous Seller, the Previous Lessor and the Seller Parent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

### **DEFINITIONS**

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

“Aircraft”	two Airbus A321-200 aircraft and three Boeing B737-800 aircraft
“Aircraft II”	two Airbus A321-200NEOLR aircraft
“Aircraft Lease Agreement(s)”	the respective aircraft lease agreement(s) previously entered into between the existing lessor of such Aircraft and lessees relating to the lease of the Aircraft
“Aircraft Portfolio Sale and Purchase Agreement”	the aircraft portfolio sale and purchase agreement entered into among the Purchasers, the Sellers and the Seller Parent on 29 May 2024, pursuant to which the Sellers agreed to sell and the Purchasers agreed to purchase the Aircraft
“ALC” or “Seller Parent”	Air Lease Corporation
“Board”	the board of Directors
“China Petrochemical Corporation”	中國石油化工集團有限公司(China Petrochemical Corporation*), and formerly known as 中國石油化工集團公司 (China Petrochemical Corporation*), a wholly state-owned enterprise incorporated in the PRC
“Company”	China Taiping Insurance Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	the actual consideration payable by the Purchasers to the Sellers for the purchase of the Aircraft under the Aircraft Portfolio Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Jixiang BJ1”	吉象一號（北京）航空租賃有限公司 (Jixiang BJ1 Aircraft Leasing Co., Ltd.*)
“Jixiang SZ1”	吉象一號（深圳）航空租賃有限公司 (Jixiang SZ1 Aircraft Leasing Co., Ltd.*)
“Lease Transfer Agreement(s)”	in respect of each Aircraft, a lease novation and amendment agreement, in respect of the relevant lease applicable to such Aircraft between, among others, the existing lessor of such Aircraft, the new lessor in respect of such Aircraft and the lessee, in form and substance reasonably acceptable to the applicable Seller and the applicable Purchaser
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	The Macau Special Administrative Region of the People’s Republic of China
“Market Appraised Value”	the full-life base value of the Aircraft obtained from an independent appraiser
“PRC”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Previous Aircraft Lease Agreement(s)”	the respective aircraft lease agreement(s) previously entered into between the existing lessor of such Aircraft II and lessees relating to the lease of the Aircraft II
“Previous Aircraft Portfolio Sale and Purchase Agreement”	the aircraft portfolio sale and purchase agreement entered into among TP 28, the Previous Seller and the Seller Parent on 10 April 2024, pursuant to which the Previous Seller agreed to sell and TP 28 agreed to purchase the Aircraft II
“Previous Consideration”	the actual consideration payable by TP 28 to the Previous Seller for the purchase of the Aircraft II under the Previous Aircraft Portfolio Sale and Purchase Agreement
“Previous Lease Transfer Agreement(s)”	in respect of each Aircraft II, a lease novation and amendment agreement, in respect of the relevant lease applicable to such Aircraft II between, among others, the existing lessor of such Aircraft II, the new lessor in respect of such Aircraft II and the lessee, in form and substance reasonably acceptable to the Previous Seller and TP 28
“Previous Lessor(s)”	for any Aircraft II, the existing lessor for such Aircraft II under the Previous Aircraft Lease Agreement(s)
“Previous Seller”	certain subsidiary of ALC, other than the Sellers
“Previous Transaction”	the transaction contemplated under the Previous Aircraft Portfolio Sale and Purchase Agreement



“Purchaser(s)”	Jixiang BJ1 and/or Jixiang SZ1
“Seller(s)”	certain subsidiaries of ALC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“TP 28” or “Previous Purchaser”	太平二十八號（天津）航空租賃有限公司 (Taiping No.28 (Tianjin) Aviation Leasing Co., Ltd. *)
“TPL”	Taiping Life Insurance Company Limited, a company established in the PRC with limited liability and a subsidiary of the Company owned as to 75.1% by the Company as at the date of this announcement
“Transaction”	the transaction contemplated under the Aircraft Portfolio Sale and Purchase Agreement
“TSFL”	太平石化金融租賃有限責任公司 (Taiping & Sinopec Finance Leasing Co. Ltd. *), a limited liability company established in the PRC and a subsidiary of the Company, owned as to 50% by TPL and China Petrochemical Corporation, respectively, as at the date of this announcement
“USA”	The United States of America
“USD”	US dollars, the lawful currency of the USA
“%”	per cent

*\* for identification purpose only*

By Order of the Board of  
**China Taiping Insurance Holdings Company Limited**  
**ZHANG Ruohan**  
*Company Secretary*

Hong Kong, 29 May 2024

*As at the date of this announcement, the Board comprises 10 directors, of which Mr. WANG Sidong, Mr. YIN Zhaojun and Mr. LI Kedong are executive directors, Mr. GUO Zhaoxu, Mr. HU Xingguo and Ms. ZHANG Cui are non-executive directors, and Mr. ZHU Dajian, Mr. WU Ting Yuk Anthony, Mr. XIE Zhichun and Mrs. LAW FAN Chiu Fun Fanny are independent non-executive directors.*