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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)**

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “**Board**”) of China Aircraft Leasing Group Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 as follows:

#### FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2024	2023	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Total revenue	<b>5,203.8</b>	4,763.7	+9.2%
Profit attributable to shareholders of the Company	<b>257.5</b>	28.3	+809.9%
Profit for the year	<b>325.6</b>	220.2	+47.9%
EBITDA	<b>5,038.4</b>	4,377.0	+15.1%
Earnings per share (Basic) ( <i>HK\$</i> )	<b>0.346</b>	0.038	+810.5%
Final dividend per share ( <i>HK\$</i> )	<b>0.18</b>	0.15	+20.0%
Full year dividend per share ( <i>HK\$</i> )	<b>0.30</b>	0.30	-

## CHAIRMAN’S STATEMENT

On behalf of China Aircraft Leasing Group Holdings Limited (“**CALC**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the consolidated results of the Group for the year ended 31 December 2024 (the “**Review Year**”).

## RESULTS AND DIVIDEND

2024 marked a year of industry recovery and accelerated development. During the year, the global aviation industry experienced a full recovery, with significant growth and remarkable performance. Global air passenger demand and total capacity both reached historic highs, while the total passenger number for China’s civil aviation market set a new record in its history. Riding on strong market momentum, the Group grasped opportunities emerged during the Review Year, achieving substantial progress across multiple business units. With both operating revenue and profit growing, the Group recorded eighteen straight years of profitability. During the year, the Group also celebrated its 10th anniversary of listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), earning widespread trust and support from the industry.

During the Review Year, the Group’s total revenue amounted to HK\$5,203.8 million, up 9.2% year-on-year (2023: HK\$4,763.7 million). Profit attributable to shareholders of the Company was HK\$257.5 million, representing a robust year-on-year growth of 809.9% (2023: HK\$28.3 million). Earnings per share were HK\$0.346 (2023: HK\$0.038), surged by 810.5% year-on-year.

The Board has recommended payment of a final dividend of HK\$0.18 per ordinary share. Together with the 2024 interim dividend of HK\$0.12 per share already paid, total dividend payout for the year 2024 amounted to HK\$0.30 (2023: HK\$0.30) per share. The Group has continued to propose scrip dividend scheme in respect of the final dividend of 2024. Please refer to “Final Dividend” section for details.

## DEVELOPMENT HIGHLIGHTS AND STRATEGIC DIRECTION

### *1) Expanding Global Partner Network while Refining Competitive Edges*

In its consistent pursuit of high-quality sustainable development, the Group has become an indispensable part of the aviation industry chain by expanding its global partner network and exploring diverse business models, while strengthening its one-stop solutions and asset management capabilities. During the Review Year, the Group further optimized its global customer base and achieved breakthroughs in the leasing business. On one hand, it deepened long-term cooperation with state-owned airlines in China's domestic market, represented by the "Top Three" airlines (三大航) and their subsidiaries, continuously extending cooperation scope with flexible fleet solution offerings. On the other hand, the Group actively expanded its quality clientele globally. The Group has achieved its first cooperation with global top-tier airlines such as Lufthansa Group, Cebu Pacific Air, and South African Airways, by repossession and redelivery as well as re-marketing upon first lease expiry. This has further enhanced and diversified the geographical mix of its customer base.

During the Review Year, the Group proactively seized the opportunities pop up in the industry's upward cycle where aircraft market value continued to rise, achieving scaled growth in its ordinary course of aircraft trading business, with annual transaction volume hitting a record high. Through diversified asset portfolios and transaction structures, the Group responded to various preferences of both domestic and overseas investors in asset allocation and management. While successfully adding eight new aircraft trading partners to its global network, the Group also expanded its managed fleet size, further enhancing its asset trading and management capabilities.

The Group also made innovative breakthroughs in financing during the Review Year, continuously expanding and optimizing its onshore and offshore funding sources. This included successful issuance of its first perpetual medium-term notes in the PRC market and closing its inaugural warehouse facility for aircraft project financing in the international market. These efforts further widened the Group's innovative financing channels and highlighted its commitment to strategic growth and financial innovation.

## AWARDS

During the Review Year, the Group was awarded "Asia-Pacific Lease Deal of the Year" and "Asia-Pacific Structured Finance Deal of the Year" by Airline Economics, recognizing the Group's endeavor in achieving sustainable growth and business innovation while delivering full life-cycle fleet solutions to airline customers.

## **2) *Emerging Success in Overseas Operation of China-Made Aircraft Further Fueled National Civil Aviation Strategy***

During the Review Year, the Group continued to facilitate the overseas operation of China-made aircraft through its associated company, PT Transnusa Aviation Mandiri (“**TransNusa**”) in Indonesia. During the Review Year, the Group delivered the third COMAC C909 aircraft (formerly known as “**ARJ21**”) to TransNusa and achieved China’s first cross-border leasing of a China-made aircraft settled in offshore Chinese Yuan. The Group aims to leverage TransNusa’s influence in the Southeast Asian market to promote China-made aircraft globally while enhancing the international competitiveness of the Chinese Yuan. During the Review Year, following the regular operation of its international commercial flights connecting Malaysia, Singapore, and Guangzhou, China, TransNusa launched three new commercial routes connecting Chinese provincial capitals. By actively expanding its international route network and integrating domestic regional operations, TransNusa aims to achieve further commercial and strategic benefits, laying a solid foundation for enhancing route network profitability and capturing high-potential markets. During the Review Year, TransNusa carried over one million passengers and operated more than 9,000 flights in total, with an average load factor exceeding 70%.

As the China-made aircraft enters a new phase of scaled, commercialized, internationalized and multi-user operations, the Group wishes to keep supporting TransNusa to connect more international regions while serving the national strategy, and become an important vehicle for national and regional cooperation, building a bridge to strengthen China’s friendly ties with more countries.

## **3) *First-Ever Investment-Grade International Rating***

The Group has embarked on a new phase of high-quality development where upgrading its international credit rating has become one of the key targets in this stage of its development. During the Review Year, CALC received its first investment-grade international rating of Ag- with stable outlook from a recognized Chinese international rating agency. It is a significant step for CALC in becoming an international investment-grade issuer, reflecting international rating agencies’ full recognition of CALC’s leading market position, asset quality and goodwill, as well as their confidence in the Group’s growth prospect. During the Review Year, China Asset Leasing Company Limited (“**CALC (TJ)**”), a wholly-owned subsidiary of the Group mainly operated in China market, again received the highest AAA ratings from two major PRC rating agencies, where its operational strength and credit profile have been widely recognized. Looking ahead, the Group will continue to take multiple measures to gather various effective resources, engage in rational planning and proactive financial management to further enhance its market competitiveness and strengthen investor confidence in the Group’s development in the long run.

#### **4) *Celebrating 10th Listing Anniversary while Accelerating Towards Global Leadership***

During the Review Year, the Group celebrated its 10th anniversary of listing on the Main Board of the Stock Exchange, receiving strong industry-wide support. The 10th anniversary marks a significant milestone in CALC's development, representing the new starting point of our journey to become a leading aircraft lessor. It is also a testament to the trust and support from our shareholders, customers, and investors. Over the decade since listing, CALC has consistently adhered to its mission of "Integrate aviation and finance to strive towards becoming a global aviation power". The Group has leveraged its professional team to actively participate in international competition, significantly expanded its global network, and continuously enhanced its service capabilities, positioning itself as one of the leading lessors. Since listing, CALC has maintained uninterrupted dividend payouts twice a year, sharing the Company's rewards of progress and the benefits of development with partners of all sectors, while further strengthening shareholders' confidence in the Company's future.

Looking ahead, CALC will take its 10th listing anniversary as a new beginning to continue leveraging its advantages and exploring business value in the aviation value chain. China Everbright Limited will also firmly support the Group's increasingly prominent role in the global aviation and capital markets, thereby creating more value for shareholders, customers, and even industry development.

#### **PROSPECTS**

In 2024, China's aviation market potential was further unleashed, with the immense demand for air travel becoming the main driver of fleet growth in China. 2025 will mark the conclusion of the 14th Five-Year Plan and the initiation of the 15th Five-Year Plan. We believe the civil aviation industry will make further progress in advancing towards high-quality development, driving the growth of the aircraft leasing sector. As a professional aircraft asset manager "rooted in China while connecting the world", the Group is committed to consistently provide innovative solutions and value-added services to customers, striving to convert various positive factors into tangible results while staying alert, facing the challenges and risks in the global economic environment. The Group shall ensure a solid foundation for company management and its market superiority, exploring opportunities emerging from the new cycle of growth, while striving to excel and further solidify its leadership in the evolving global aviation market.

## **ACKNOWLEDGEMENTS**

I would like to express my sincere gratitude to all members of the Board and the management team of the Company and heartfelt appreciation to all the staff. On behalf of the Board, I would also like to thank our partners and shareholders for their continuing support and trust in the Group.

**AN Xuesong**

*Chairman of the Board of Directors*

Hong Kong, 18 March 2025

## CEO'S STATEMENT

### Industry Overview

In 2024, the overall operating environment of the industry continues to improve. On the demand side, market growth remained robust. According to the data from the International Air Transport Association (IATA), total global air traffic (measured in revenue passenger kilometers or RPKs) in 2024 increased by 10.4% year-on-year while the overall load factor reached a historical high of 83.5%. China's civil aviation market achieved equally encouraging performance with a record 730 million passengers transported, marking a 17.9% year-on-year growth. On the supply side, multiple challenges persisted including capacity constraints, labor and engine shortages. While Airbus missed its annual delivery target for 2024, Boeing's full-year deliveries declined by over 30% year-on-year. The continuing supply shortage further pushed up aircraft lease rates and values.

Meanwhile, following the US dollar interest rate cuts during the year, the scale of the consecutive reductions surprised the market, lowering funding costs for the industry while boosting global aircraft trading market activities. Against this backdrop, the Group fully leveraged its advantages in full value chain operations and quality fleet assets to capture the opportunities arising from the growing demand, the rising aircraft values and the rate cuts cycle. The Group has accelerated global expansion and aircraft trading business while proactively optimizing financial management to achieve stable operations and strong performance.

### Business Review 2024

#### ***1) Steady Development of Core Businesses with Record-breaking Aircraft Trading***

During the Review Year, the Group closely kept pace with aviation industry trends to grasp market opportunities, remaining active across various business units. In leasing, the Group signed new lease agreements or letters of intention for 48 aircraft during the year, including order book placement, repossession and remarketing, as well as lease extensions, addressing airline customers' needs for capacity expansion and future pipeline. During the Review Year, the Group successfully delivered 17 new aircraft from its order book to airline customers and purchased 2 used aircraft.

In aircraft trading, the Group capitalized on the opportunities arising from the recovery of the aircraft trading market during rate-cut cycle. Maximizing the strengths of its global trading network, the Group signed sales and purchase agreements for a total of 50 aircraft during the Review Year and successfully completed the sale of 25 owned aircraft and 2 managed aircraft, reaching a record high. Notably, the Group's portfolio trading of 17 aircraft with Dubai Aerospace Enterprise (DAE) Ltd became one of the largest aircraft deals of the year. Aircraft trading is of significant importance to the Group's long-term sustainable development. While generating proceeds from sales, it also optimizes fleet portfolio and expands asset management business. During the Review Year, the Group successfully secured asset management mandates for five of the aircraft sold.

## **2) *Quality Fleet and Order Book Assets***

During the Review Year, with a prudent fleet strategy, the Group maintained a modern fleet portfolio dominated by the most popular aircraft models. As at 31 December 2024, there were a total of 189 aircraft in the Group's fleet, including 159 owned aircraft and 30 managed aircraft. By number of aircraft, 90% of the owned fleet were narrow-body models, a highly liquid asset class that was popular in the market whose overall market value continued trending up due to supply shortage. With its quality fleet assets, excluding one aircraft involving a Russian airline, the utilization rate for the Group's owned fleet reached 100%. As at 31 December 2024, the average age of the Group's owned fleet was 8.5 years, and the average remaining lease term was 6.1 years.

In terms of aircraft procurement, the Group was one of the few lessors worldwide capable of direct aircraft procurement from aircraft original equipment manufacturers (OEMs). Investing in new generation fuel-efficient aircraft models while supporting the development of China-made aircraft, as at 31 December 2024, the Group had a total of 124 aircraft on backlog, including 97 Airbus and 27 COMAC aircraft. As at 31 December 2024, the number of aircraft on backlog exceeded 70% of the Group's owned fleet size, providing strong support for future growth.

## **3) *Expanding Global Aviation Partner Network***

During the Review Year, while consolidating its leading position in the PRC market, the Group actively expanded its creditworthy airline customer base worldwide. As at 31 December 2024, by number of aircraft, 68.6% of the Group's owned fleet were leased to Chinese airlines customers (including Hong Kong, Macau and Taiwan), most of which were state-owned airlines with strong financial strength. With overseas customers accounted for more than 30%, the Group has successfully achieved its first cooperation with global top-tier airlines such as Lufthansa Group, Cebu Pacific Air and South African Airways. The improvement in overall client profiles has driven the Group's overall rent collection ratio exceeding 100% for five consecutive reporting periods, reaching 101% during the Review Year.

As at 31 December 2024, the Group's owned and managed aircraft were leased to 40 airlines widely spread over 21 countries and regions globally. In terms of order book placement, all aircraft scheduled for delivery before December 2025 have been mandated for lease, more than half of which will be leased to overseas airline customers. The proportion of the Group's overseas customers is expected to further increase in the future.

Meanwhile, the Group also integrated and extended its global aviation partnership network and established first-time trading cooperation with 8 domestic and overseas lessors during the year. The number of its global aircraft trading and asset management partners has reached approximately 30.



#### **4) *Expanding Global Financing Channels and Enhancing International Credit Rating***

During the Review Year, the Group fully leveraged its onshore and offshore dual-market platforms financing capabilities while continuously innovating financing channels. The diversified funding sources provided sufficient liquidity support for business development.

During the Review Year, total new and renewed facilities obtained by the Group reached around HK\$24 billion, including aircraft loans, Pre-Delivery Payments (PDP) financing, working capital loans and RMB bonds, etc.. In October 2024, the Group secured its inaugural US\$400 million warehouse facility for aircraft financing, with an option to upsize the facility amount. This marked the first warehouse facility issued by an Asian aircraft lessor since 2015, adding another innovative financing channel for the Group. The project won the “Asia-Pacific Structured Finance Deal of the Year” award granted by Airline Economics, an authoritative media in aviation industry.

In view of the lower interest rate environment in the PRC domestic market, the Group strove to reduce its overall financing costs by proactive debt management through increasing RMB debt financing. During the Review Year, the Group successfully issued RMB 0.3 billion 3-year and RMB 1.2 billion 5-year medium-term notes with a coupon rate of 2.75% and 3.3% respectively. As at 31 December 2024, RMB debts accounted for approximately 28% of the Group’s interest-bearing debts. During the Review Year, the Group completed refinancing of its perpetual capital securities to optimize capital structure while effectively reducing funding costs. Following the voluntary redemption of the expensive USD perpetual bonds in December 2023 and July 2024, the Group later issued RMB 1 billion perpetual medium-term notes in PRC market through its subsidiary, CALC TJ, with a coupon rate of only 2.7%, setting a historical low.

In December 2024, the Group received its first investment-grade international rating of Ag- with a stable outlook from China Chengxin (Asia Pacific) Credit Ratings Company Limited, marking an important step towards becoming an international investment-grade issuer. Additionally, CALC TJ is rated AAA by China Chengxin International Credit Rating Co., Ltd and Dagong Global Credit Rating Co., Ltd., both with a stable outlook.

As the Federal Reserve has officially cut the interest rate, the global financing environment is expected to continue improving. The Group will closely monitor changes in onshore and offshore markets and business development needs to select markets and financing instruments flexibly while continuing to reduce overall financing costs through proactive financial management. The Group will also actively explore equity or equity-like financing and other innovative financing instruments to improve its capital strength and upgrade its international credit rating.

## **Prospects**

Entering 2025, the global aviation industry is expected to maintain growth momentum. According to the latest forecast by IATA, global air passenger number in 2025 is anticipated to surpass 5 billion for the first time and is projected to reach 5.2 billion, representing a year-on-year increase of 6.7%. The industry's total revenue is expected to exceed US\$1 trillion for the first time, with net profits also on the rise. However, the market widely expects supply chain challenges to persist, with a global aircraft shortage likely to continue for several years, thereby sustaining or further driving up aircraft market values and lease rates. The Group will capitalize on various business opportunities emerging during this market upcycle, further expanding its global customer base while continuing to provide airlines with quality, flexible and comprehensive aircraft full life-cycle solutions.

In 2025, the rate cut cycle is expected to continue, further reducing market funding costs while accelerating recovery in the global aircraft trading market. The Group will continue to capture favorable trading opportunities, accelerate aircraft portfolio trade, optimize fleet assets, and explore potential asset management demand to expand its managed fleet. Meanwhile, we will also closely monitor changes in onshore and offshore interest rate environments, continuously optimize the capital structure, and further enhance operational capabilities and credit standing to achieve long-term sustainable development.

**POON Ho Man**

*Chief Executive Officer*

Hong Kong, 18 March 2025

## CONSOLIDATED STATEMENT OF INCOME

	Year ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Total revenue</b>		
<b>Lease income</b>		
Finance lease income	608,828	600,996
Operating lease income	<u>3,740,861</u>	<u>3,598,207</u>
	<u>4,349,689</u>	<u>4,199,203</u>
<b>Other operating income</b>		
Net income from aircraft transactions and aircraft components trading	212,714	124,501
Other income	<u>641,360</u>	<u>439,993</u>
	<u>854,074</u>	<u>564,494</u>
	<u>5,203,763</u>	<u>4,763,697</u>
<b>Expenses</b>		
Interest expenses and payments to trust plans	(2,710,584)	(2,244,481)
Depreciation and impairment	(1,686,569)	(1,618,823)
Reversal of expected credit losses/(expected credit losses)	71,211	(51,038)
Other operating expenses	<u>(550,044)</u>	<u>(341,044)</u>
	<u>(4,875,986)</u>	<u>(4,255,386)</u>
<b>Compensation received from aircraft remained in Russia</b>	–	185,384
<b>Share of results from associates and joint ventures</b>	160	(389)
<b>Fair value losses on CAG Group</b>	–	(156,568)
<b>Other gains/(losses), net</b>	<u>313,325</u>	<u>(23,003)</u>
<b>Profit before income tax</b>	641,262	513,735
Income tax expenses	<u>(315,653)</u>	<u>(293,578)</u>
<b>Profit for the year</b>	<u>325,609</u>	<u>220,157</u>
<b>Profit attributable to</b>		
Shareholders of the Company	257,545	28,256
Holders of perpetual capital securities and other non-controlling interests	<u>68,064</u>	<u>191,901</u>
	<u>325,609</u>	<u>220,157</u>
<b>Earnings per share for profit attributable to shareholders of the Company (expressed in HK\$ per share)</b>		
– Basic earnings per share	<u>0.346</u>	<u>0.038</u>
– Diluted earnings per share	<u>0.346</u>	<u>0.038</u>

## CONSOLIDATED BALANCE SHEET

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>ASSETS</b>		
Property, plant and equipment and right-of-use assets	28,860,008	33,493,826
Pre-Delivery Payments (“PDP”) and other prepayments and receivables relating to aircraft acquisition	7,855,333	7,626,274
Investments in and loans to associates and joint ventures	491,697	1,529,629
Finance lease receivables – net	9,185,457	8,577,339
Deferred income tax assets	36,058	–
Financial assets at fair value through profit or loss	1,476,076	621,749
Prepayments and other assets	683,835	647,166
Assets classified as held for sale	5,555,238	1,425,254
Aircraft components trading assets	3,177	1,934
Derivative financial assets	13,381	61,157
Restricted cash	301,110	544,524
Cash and cash equivalents	3,778,318	5,295,875
<b>Total assets</b>	<b><u>58,239,688</u></b>	<b><u>59,824,727</u></b>
<b>EQUITY</b>		
Share capital	74,465	74,436
Reserves	1,986,750	2,173,544
Retained earnings	2,168,242	2,081,560
<b>Equity attributable to shareholders of the Company</b>	<b>4,229,457</b>	<b>4,329,540</b>
Perpetual capital securities and other non-controlling interests	1,098,740	810,422
<b>Total equity</b>	<b><u>5,328,197</u></b>	<b><u>5,139,962</u></b>
<b>LIABILITIES</b>		
Deferred income tax liabilities	1,303,752	1,191,479
Borrowings	43,046,205	42,911,870
Medium-term notes	1,599,726	1,656,173
Bonds and debentures	3,930,722	5,943,499
Derivative financial liabilities	233,712	147,735
Income tax payables	133,162	66,056
Interest payables	292,538	392,690
Other liabilities and accruals	2,371,674	2,375,263
<b>Total liabilities</b>	<b><u>52,911,491</u></b>	<b><u>54,684,765</u></b>
<b>Total equity and liabilities</b>	<b><u>58,239,688</u></b>	<b><u>59,824,727</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. RESULTS

Total revenue of the Group was HK\$5,203.8 million in 2024, an increase of HK\$440.1 million or 9.2% from HK\$4,763.7 million in 2023. Profit for the year in 2024 amounted to HK\$325.6 million, an increase of HK\$105.4 million or 47.9% compared with HK\$220.2 million in 2023. Profit attributable to shareholders of the Company in 2024 amounted to HK\$257.5 million, an increase of HK\$229.2 million or 809.9% compared with HK\$28.3 million in 2023. EBITDA in 2024 amounted to HK\$5,038.4 million, an increase of HK\$661.4 million or 15.1% from HK\$4,377.0 million in 2023.

Total assets amounted to HK\$58,239.7 million as at 31 December 2024, compared with HK\$59,824.7 million as at 31 December 2023, a decrease of HK\$1,585.0 million or 2.6%. The decrease in assets was mainly due to the decrease in the total fleet size of the Group from 165 aircraft as at 31 December 2023 to 159 aircraft as at 31 December 2024.

Total liabilities amounted to HK\$52,911.5 million, a decrement of HK\$1,773.2 million or 3.2% compared with HK\$54,684.7 million as at 31 December 2023, which was in line with the decrement of the total assets. The decrease in liabilities was mainly due to the decrease in total interest-bearing debts by HK\$1,934.9 million, which mainly due to the decrease in total fleet size of the Group. As at 31 December 2024, the total interest-bearing debts of the Group amounted to HK\$48,576.6 million (2023: HK\$50,511.5 million).

#### 1.1 Total Revenue

For the year ended 31 December 2024, the total revenue amounted to HK\$5,203.8 million, compared with HK\$4,763.7 million in 2023, an increase of HK\$440.1 million or 9.2%.

Total lease income from finance leases and operating leases for the year 2024 amounted to HK\$4,349.7 million, compared with HK\$4,199.2 million in 2023, an increase of HK\$150.5 million or 3.6%.

For the year ended 31 December 2024, the Group's average lease rental yield of the finance leases and operating leases was 7.5% (2023: 13.2%) and 11.2% (2023: 11.4%), respectively. Average lease rental yield for finance leases and operating leases is calculated by expected annualised gross lease receipt divided by net book value of aircraft. Weighted average lease rental yield of the Group was 11.1% (2023: 11.4%). The decrease in the average lease rental yield of the finance leases is mainly due to the disposal of finance lease aircraft with higher lease rental yield in the last quarter in 2023.

## 1.2 Other Operating Income

### 1.2.1 Net Income from Aircraft Transactions and Aircraft Components Trading

During the year ended 31 December 2024, the Group recognised net gain from disposal of 25 aircraft and aircraft components trading amounted to HK\$212.7 million (2023: net gain from disposal of five aircraft, novation of aircraft purchase agreement and aircraft components trading amounted to HK\$124.5 million). The aggregated net book value of the aircraft disposed amounted to HK\$6,327.4 million (2023: HK\$1,592.5 million).

### 1.2.2 Other Income

During the year ended 31 December 2024, the Group had the following other income:

	Year ended 31 December		Change
	2024	2023	
	HK\$'Million	HK\$'Million	
Government grants	316.2	171.8	+84.1%
Interest income from loans to associates and joint ventures	114.2	110.7	+3.2%
Bank interest income	128.7	87.9	+46.4%
Asset management service fees income from CAG Bermuda 1 Limited (“CAG”) and its subsidiaries (together, “CAG Group”)	16.7	18.4	-9.2%
Others	65.6	51.2	+28.1%
Total other income	<u>641.4</u>	<u>440.0</u>	<u>+45.8%</u>

Government grants for the year ended 31 December 2024 amounted to HK\$316.2 million, compared with HK\$171.8 million in 2023, an increase of HK\$144.4 million or 84.1%. The increase is due to the increased receipt of government grants from certain local government in the Mainland China.

## 1.3 Expenses

### 1.3.1 Interest Expenses and Payments to Trust Plans

For the year ended 31 December 2024, interest expenses and payments to trust plans incurred by the Group amounted to HK\$2,710.6 million compared with HK\$2,244.5 million in 2023, an increase of HK\$466.1 million or 20.8%. The increase in interest expenses and payments to trust plans was mainly due to (i) the increase in bank and other borrowings as a result of fleet size increment during the year, with most of the disposal took place in the last quarter in 2024 and (ii) the increase in average US\$ SOFR from 4.84% in 2023 to 4.94% in 2024. The average effective interest rate of bank and other borrowings during the year was 5.74% (2023: 6.12%).

Certain interest expenses from the floating interest rate borrowings had either been hedged or capitalised. The following table summarises the sensitivity test on change in interest rate for the unhedged exposure as at 31 December 2024:

US\$ interest rate	Impact on	
	Cash outflow	Profit
	<i>HK\$'Million</i>	attributable to shareholders of the Company <i>HK\$'Million</i>
Increased by 100 basis points	195	(132)
Decreased by 100 basis points	(195)	132

### ***1.3.2 Depreciation and Impairment***

The amount represented depreciation and impairment on aircraft under operating leases, leasehold improvements, office equipment, office building, right-of-use assets and other assets. Depreciation and impairment for the year ended 31 December 2024 was HK\$1,686.6 million compared with HK\$1,618.8 million in 2023, an increase of HK\$67.8 million or 4.2%. Although the number of aircraft under operating leases decreased from 117 aircraft as at 31 December 2023 to 110 aircraft as at 31 December 2024, most of the disposal during the year took place in the last quarter in 2024. This led to the increase in the depreciation and impairment, netted off by the reversal of impairment made to the aircraft during the year. The Group will closely monitor the aircraft book value and reassess the carrying amounts of the aircraft whenever there are events or changes in circumstances that would indicate that the carrying amounts of aircraft would be adversely affected and would make appropriate provision when necessary.

The accumulated depreciation and impairment on aircraft under operating leases as at 31 December 2024 was HK\$5,156.4 million compared with HK\$5,275.6 million as at 31 December 2023, a decrease of HK\$119.2 million or 2.3%.

### ***1.3.3 Reversal of Expected Credit Losses/(Expected Credit Losses)***

Expected credit losses are mainly provided on finance lease receivables, operating lease receivables and loans to associates and joint ventures when the counterparty is expected as not being able to pay the amounts due to the Group. For the year ended 31 December 2024, the reversal of expected credit losses is mainly related to a reversal of expected credit losses made in view of repayment of certain outstanding loans and improved operating performance of one of the Group's joint ventures and reversal of expected credit losses made on operating lease receivables.

### ***1.3.4 Other Operating Expenses***

Other operating expenses mainly represented salaries and commission, professional fees related to the aircraft leasing business, value-added tax surcharge and other taxes, rentals and office administration expenses. The increase in the other operating expenses was mainly due to increased professional fees related to aircraft leasing business, aircraft transactions and financing and increased staff related cost.



#### **1.4 Compensation Received from Aircraft Remained in Russia**

Following the conflicts between Russia and Ukraine in February 2022 and subsequent sanctions in relation to commercial activities with businesses in Russia imposed by the European Union, the United States of America, the United Kingdom and other countries (the “**Sanctions**”), in March 2022, in compliance with the Sanctions, the Group terminated leasing arrangements with Russian lessees in respect of two owned aircraft. The Group has been vigorously pursuing all available means to recover its losses.

During the year ended 31 December 2023, the Group received HK\$185.4 million insurance settlement and released its claim on one of the aircraft to a Russian lessee. As the relevant aircraft had been fully written-off in prior years, the compensation received was recognised as income during the year ended 31 December 2023.

The Group will continue to seek different ways to recover the losses on the remaining aircraft, including closely monitoring the insurance claims process, maintaining dialogue with the Russian lessee, and actively seeking to repossess the aircraft or disposing the aircraft directly to the lessee.

#### **1.5 Fair Value Losses on CAG Group**

During the year ended 31 December 2023, as a result of the continuous interest rate hikes with no signs of significant decline shortly, after careful consideration by the Group’s management, a prudent provision of US\$20.0 million (equivalent to approximately HK\$156.6 million) was provided on the shareholder’s loan in CAG Group. No further provision was made in 2024 as there are no changes in circumstances that significantly affect the fair value of the shareholder’s loan.

The management of the Group would continue to perform fair value assessment on the Group’s outstanding shareholder’s loan in CAG Group periodically. The amount of provision may be adjusted in the future according to the fair value assessment result.

## 1.6 Other Gains/(Losses), Net

	Year ended 31 December		Change
	2024	2023	
	HK\$'Million	HK\$'Million	
Currency exchange gains in RMB	381.9	73.3	+421.0%
Fair value losses on currency forward contracts in RMB	(127.9)	(126.0)	+1.5%
Net exchange gains/(losses) in RMB	254.0	(52.7)	N/A
Currency exchange gains/(losses) in US\$	67.6	(1.3)	N/A
Fair value gains on investment in aircraft modification	–	27.6	-100%
Fair value gains/(losses) on financial assets at fair value through profit or loss	8.3	(1.6)	N/A
Changes in fair value of interest rate swaps	8.8	–	N/A
Hedge ineffectiveness	0.3	0.5	-40%
(Realised losses)/unrealised gains on currency swap	(13.9)	4.5	N/A
Reduction in the estimated unguaranteed residual value of finance lease receivables	(11.8)	–	N/A
Total	313.3	(23.0)	N/A

The net exchange gains arising from net financial liabilities denominated in RMB was mainly due to the appreciation of US\$ exchange rate against RMB from 7.1 as at 31 December 2023 to 7.3 as at 31 December 2024.

### *Sensitivity test*

As at 31 December 2024, the net RMB financial liabilities of the Group exposed to currency exchange risk amounted to RMB11.7 billion. Hedging arrangement amounted to RMB2.5 billion was made to reduce the exchange rate risk exposure. The net RMB exchange rate risk exposure as at 31 December 2024 was RMB9.2 billion. A 5% appreciation/depreciation of RMB against US\$ would result in a decrease/increase in profit attributable to shareholders of the Company for the year ended 31 December 2024 by HK\$487.2 million.

## 1.7 Income Tax Expenses

Income tax for the year ended 31 December 2024 was HK\$315.7 million compared to HK\$293.6 million in 2023. Certain deferred tax credit had not been recognised in respect of certain tax losses incurred. The Group would evaluate regularly to consider the recognition of the deferred tax credit in future.

## 2. CONSOLIDATED BALANCE SHEET

### 2.1 Assets

As at 31 December 2024, the Group's total assets amounted to HK\$58,239.7 million compared with HK\$59,824.7 million as at 31 December 2023, a decrease of HK\$1,585.0 million or 2.6%.

	As at 31 December		Change
	2024	2023	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Property, plant and equipment and right-of-use assets (mainly "Aircraft under operating leases")	<b>28,860.0</b>	33,493.8	-13.8%
Finance lease receivables – net ("Aircraft under finance leases")	<b>9,185.5</b>	8,577.3	+7.1%
Assets classified as held for sale ("Aircraft under operating leases for trading")	<b>5,555.2</b>	1,425.3	+289.8%
Pre-Delivery Payments ("PDP") and other prepayments and receivables relating to aircraft acquisition	<b>7,855.3</b>	7,626.3	+3.0%
Deferred income tax assets	<b>36.1</b>	–	N/A
Prepayments and other assets	<b>687.0</b>	649.1	+5.8%
Investments in and loans to associates and joint ventures	<b>491.7</b>	1,529.6	-67.9%
Financial assets at fair value through profit or loss	<b>1,476.1</b>	621.7	+137.4%
Derivative financial assets	<b>13.4</b>	61.2	-78.1%
Restricted cash	<b>301.1</b>	544.5	-44.7%
Cash and cash equivalents	<b>3,778.3</b>	5,295.9	-28.7%
Total assets	<b><u>58,239.7</u></b>	<b><u>59,824.7</u></b>	<b><u>-2.6%</u></b>

### **2.1.1 Property, Plant and Equipment and Right-of-use Assets, Finance Lease Receivables – Net and Assets Classified as Held for Sale**

Property, plant and equipment and right-of-use assets mainly included the cost of aircraft classified as operating leases, net of their accumulated depreciation and impairment. The decrease in property, plant and equipment and right-of-use assets was mainly due to decrease in the fleet size of the Group under operating lease from 113 aircraft as at 31 December 2023 to 91 aircraft as at 31 December 2024, and the depreciation provided during the year, netted-off by the reversal of impairment.

Net finance lease receivables represented the present value of minimum lease payments receivable from aircraft classified as finance leases and their residual values. There were addition of two aircraft under finance lease and reclassification of one aircraft under finance lease to operating lease during the year. The fleet size of the Group under finance lease increased from 48 aircraft as at 31 December 2023 to 49 aircraft as at 31 December 2024.

Assets classified as held for sale represented the cost of assets expected to be disposed in the next twelve months. The number of aircraft classified as held for sale increased from four aircraft as at 31 December 2023 to 19 aircraft as at 31 December 2024.

The total fleet size of the Group under property, plant and equipment and right-of-use assets, finance lease receivables – net and assets classified as held for sale is summarised as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	2023
	<b>Owned Aircraft</b>	Owned Aircraft
Property, plant and equipment and right-of-use assets (Operating leases)	<b>91</b>	113
Finance lease receivables – net (Finance leases)	<b>49</b>	48
Assets classified as held for sale (Operating leases)	<b>19</b>	4
	<hr/>	<hr/>
<b>Total <sup>(note)</sup></b>	<b><u>159</u></b>	<b><u>165</u></b>

*Note:* Including one aircraft remained in Russia as at 31 December 2024 (2023: one).

The total fleet size of the Group under property, plant and equipment and right-of-use assets, finance lease receivables – net and assets classified as held for sale decreased from 165 aircraft as at 31 December 2023 to 159 aircraft as at 31 December 2024.

As at 31 December 2024, the aggregate net book value of the aircraft was HK\$42,812.4 million (2023: HK\$42,826.9 million).

### **2.1.2 Aircraft Portfolio**

Aircraft portfolio by number of aircraft is as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	2023
	<b>Owned Aircraft</b>	Owned Aircraft
<b>Aircraft Type</b>		
Airbus A320 CEO family	<b>71</b>	82
Airbus A320 NEO family	<b>51</b>	43
Airbus A330 CEO family	<b>12</b>	13
Boeing B737 NG family	<b>19</b>	22
Boeing B737 MAX family	<b>2</b>	2
Boeing B787	<b>1</b>	1
COMAC C909 (formerly known as “ARJ21”)	<b>3</b>	2
	<hr/>	<hr/>
Total <i>(note)</i>	<b><u>159</u></b>	<b><u>165</u></b>

*Note:* Including one aircraft remained in Russia as at 31 December 2024 (2023: one).

### **2.1.3 PDP and other Prepayments and Receivables Relating to Aircraft Acquisition**

PDP and other prepayments and receivables relating to aircraft acquisition mainly represented PDP made to aircraft manufacturers for aircraft acquisition from order book. The balance remains stable.

### 2.1.4 Prepayments and other Assets

Prepayments and other assets mainly include operating lease receivables.

The aging analysis of the gross operating lease receivables based on due date was as follows:

	As at 31 December			
	2024		2023	
	<i>HK\$'Million</i>	<i>%</i>	<i>HK\$'Million</i>	<i>%</i>
Current/deferral	70.8	19%	135.6	30%
Less than 30 days past due	1.0	1%	4.2	1%
30 to 90 days past due	2.9	1%	19.3	4%
More than 90 days past due	<u>302.2</u>	<u>79%</u>	<u>289.5</u>	<u>65%</u>
	<b>376.9</b>	<b><u>100%</u></b>	448.6	<b><u>100%</u></b>
<i>Less: Accumulated expected credit losses allowance</i>	<u>(153.0)</u>		<u>(203.6)</u>	
Total	<b><u>223.9</u></b>		<b><u>245.0</u></b>	

With the recovery of aviation industry, there is improvement in the rent collection. The operating lease receivables as at 31 December 2024 amounted to HK\$376.9 million compared with HK\$448.6 million in 2023, a decrease of HK\$71.7 million or 16.0%.

The rent collection ratio, represented by the cash received over the amount of invoice billing, for the year ended 31 December 2024 was 101.1% (2023: 101.4%). The decrease in operating lease receivables is mainly due to the repayment from the lessees on the overdue rent. The Group would prudently and consistently assess the credit losses allowance on the operating lease receivables.

## 2.2 Liabilities

As at 31 December 2024, the Group's total liabilities amounted to HK\$52,911.5 million, compared with HK\$54,684.7 million as at 31 December 2023, a decrease of HK\$1,773.2 million or 3.2%.

An analysis is given as follows:

	As at 31 December		Change
	2024	2023	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Borrowings	<b>43,046.2</b>	42,911.8	+0.3%
Bonds and debentures	<b>3,930.7</b>	5,943.5	-33.9%
Medium-term notes	<b>1,599.7</b>	1,656.2	-3.4%
Total interest-bearing debts	<b>48,576.6</b>	50,511.5	-3.8%
Deferred income tax liabilities	<b>1,303.8</b>	1,191.5	+9.4%
Interest payables	<b>292.5</b>	392.7	-25.5%
Income tax payables	<b>133.2</b>	66.1	+101.5%
Derivative financial liabilities	<b>233.7</b>	147.7	+58.2%
Other liabilities and accruals	<b>2,371.7</b>	2,375.2	-0.1%
Total liabilities	<b>52,911.5</b>	54,684.7	-3.2%

### 2.2.1 Borrowings

The analysis of borrowings is as follows:

	As at 31 December		Change
	2024	2023	
	HK\$'Million	HK\$'Million	
<b>Bank and other borrowings</b>			
Bank and other borrowings for aircraft acquisition financing	<b>21,537.1</b>	23,309.6	-7.6%
PDP financing	<b>6,294.1</b>	6,127.8	+2.7%
Other bank borrowings	<b>11,021.8</b>	8,802.6	+25.2%
	<b>38,853.0</b>	38,240.0	+1.6%
<b>Other long-term borrowings</b>			
Borrowings from trust plans	<b>3,989.9</b>	4,263.8	-6.4%
Other borrowings	<b>203.3</b>	408.0	-50.2%
	<b>4,193.2</b>	4,671.8	-10.2%
Total borrowings	<b>43,046.2</b>	42,911.8	+0.3%

The total borrowings increased from HK\$42,911.8 million as at 31 December 2023 to HK\$43,046.2 million as at 31 December 2024, representing an increase of HK\$134.4 million or 0.3%, was mainly due to the net impact of (i) the decrease in bank and other borrowings for aircraft acquisition financing by HK\$1,772.5 million as the fleet size decreased from 165 aircraft as at 31 December 2023 to 159 aircraft as at 31 December 2024, (ii) the increase in PDP financing by HK\$166.3 million and (iii) the increase in other bank borrowings by HK\$2,219.2 million.



## 2.2.2 Bonds and Debentures

The following table summarises the senior unsecured US\$ bonds and RMB bonds and debentures issued by the Group:

Issue date	Terms	Maturity date	Coupon interest per annum	Outstanding Principal amount (Million)	Carrying amount (HK\$ Million)	Note
November 2020	Five years	November 2025	5.90%	US\$35.0	271.4	(a)
January 2021	Five years	January 2026	5.90%	US\$35.0	271.5	(a)
				<u>US\$70.0</u>	<u>542.9</u>	
February 2022	Three years	February 2025	4.40%	RMB1,200.0	1,271.5	(a)
June 2023	Three years	June 2026	3.85%	RMB1,500.0	1,587.4	(b)
November 2023	Three years	November 2026	3.58%	RMB500.0	528.9	(b)
				<u>RMB3,200.0</u>	<u>3,387.8</u>	
<b>Total bonds and debentures as at 31 December 2024</b>					<b><u>3,930.7</u></b>	
Total bonds and debentures as at 31 December 2023					<u>5,943.5</u>	

The decrease in bonds and debentures from HK\$5,943.5 million as at 31 December 2023 to HK\$3,930.7 million as at 31 December 2024 was mainly due to the repayment of US\$240.3 million bonds upon maturity.

Notes:

- (a) The bonds and debentures are unlisted and subscribed by an independent third party.
- (b) The bonds are listed on the Shanghai Stock Exchange.

### 2.2.3 Medium-term Notes

The following table summarises the senior unsecured medium-term notes issued by the Group:

Issue date	Terms	Maturity date	Coupon interest per annum	Outstanding Principal amount (RMB Million)	Carrying amount (HK\$ Million)
April 2022	Three years	April 2025	4.50%	10.0	10.5
April 2024	Three years	April 2027	2.75%	300.0	317.8
April 2024	Five years	April 2029	3.30%	<u>1,200.0</u>	<u>1,271.4</u>
<b>Total medium-term notes as at 31 December 2024</b>				<b><u>1,510.0</u></b>	<b><u>1,599.7</u></b>
Total medium-term notes as at 31 December 2023					<u>1,656.2</u>

The balance of the medium-term notes remains stable due to the net effect of (i) the repurchase of the outstanding medium-term notes with principal of RMB1.49 billion and (ii) issuance of three-year and five-year medium-term notes with aggregate principal of RMB1.5 billion during the current year.

### 3. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to ensure that it maintains a strong credit standing, as well as healthy capital ratios in order to support its business and maximise shareholder value.

Operations and capital expenditure requirements are funded by a combination of cash generated from operating activities, bank and other borrowings, other long-term borrowings, issuance of bonds, debentures and medium-term notes, and the asset-light strategy including disposal of aircraft. In order to meet the current rapid expansion, the Group will also consider both equity and debt financing opportunities, and establishing of various aircraft investment platform and other joint ventures.

For the year ended 31 December 2024, the objectives, policies and processes for managing capital remained largely unchanged. The Group made full use of capital leverage to keep pace with aircraft delivery.

The Group monitors capital through gearing ratio and debt to equity ratio:

	<b>As at 31 December</b>		Change
	<b>2024</b>	2023	
	<b><i>HK\$'Million</i></b>	<i>HK\$'Million</i>	
Interest-bearing debts included in			
total liabilities	<b>48,576.6</b>	50,511.5	-3.8%
Total liabilities	<b>52,911.5</b>	54,684.7	-3.2%
Total assets	<b>58,239.7</b>	59,824.7	-2.6%
Total equity	<b>5,328.2</b>	5,140.0	+3.7%
Gearing ratio	<b>83.4%</b>	84.4%	-1.0p.p.
Asset-liability ratio	<b>90.9%</b>	91.4%	-0.5p.p.
Interest-bearing debts to equity ratio	<b><u>9.1:1</u></b>	<u>9.8:1</u>	<u>-7.2%</u>

#### 4. HUMAN RESOURCES

As at 31 December 2024, staff of the Group numbered 184 (2023: 185). Total remuneration of employees for 2024 amounted to HK\$227.5 million (2023: HK\$171.2 million).

The Group has established effective employee incentive schemes to link the remuneration of its employees with their overall performance and contributions, and has established a merit-based remuneration awards system. It has also adopted share option schemes for the purpose of recognising the contribution of eligible employees to the growth of the Group.

## 5. CONTRACTUAL OBLIGATIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

### 5.1 Contingent Liabilities

As at 31 December 2024, the Group was a guarantor of certain bank borrowings of associates and joint ventures amounting to HK\$515.6 million (2023: HK\$564.1 million), of which HK\$196.0 million (2023: HK\$217.0 million) was counter-guaranteed by an investor of the joint ventures. After excluding the portion of counter-guarantee as mentioned above, the Group guaranteed HK\$319.6 million (2023: HK\$347.1 million) of these bank borrowings.

### 5.2 Capital Commitments and Qualified Aircraft Leasing Activity

The Board confirms that the Company is a listed company actively engaged in aircraft leasing with aircraft operators as a principal business in its ordinary and usual course of business and the Company is therefore a Qualified Aircraft Lessor (as defined in the Rules Governing the Listing of Securities on Stock Exchange (the “**Listing Rules**”). Acquisition or disposal of aircraft is a Qualified Aircraft Leasing Activity pursuant to the Listing Rules.

The Group’s capital commitments are aircraft purchase commitment, amounted to HK\$45.1 billion as at 31 December 2024 (2023: HK\$52.8 billion), representing estimated total purchase costs of the aircraft contracted to be purchased and delivered, net of PDP paid.

As at 31 December 2024, the Group had 124 aircraft in its order book, comprising 97 Airbus A320 aircraft family, and 27 COMAC C909 aircraft.

During the year ended 31 December 2024, the Group completed the delivery of 19 aircraft, which included two delivered aircraft from an associate.

During the year ended 31 December 2024, the Group completed the disposal of 25 aircraft.

## CONSOLIDATED BALANCE SHEET

	<i>Note</i>	<b>As at 31 December</b>	
		<b>2024</b>	2023
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>ASSETS</b>			
Property, plant and equipment and right-of-use assets		<b>28,860,008</b>	33,493,826
Pre-Delivery Payments (“PDP”) and other prepayments and receivables relating to aircraft acquisition	6(a)	<b>7,855,333</b>	7,626,274
Investments in and loans to associates and joint ventures		<b>491,697</b>	1,529,629
Finance lease receivables – net	4	<b>9,185,457</b>	8,577,339
Deferred income tax assets		<b>36,058</b>	–
Financial assets at fair value through profit or loss	5	<b>1,476,076</b>	621,749
Prepayments and other assets	6(b)	<b>683,835</b>	647,166
Assets classified as held for sale		<b>5,555,238</b>	1,425,254
Aircraft components trading assets		<b>3,177</b>	1,934
Derivative financial assets		<b>13,381</b>	61,157
Restricted cash		<b>301,110</b>	544,524
Cash and cash equivalents		<b>3,778,318</b>	5,295,875
<b>Total assets</b>		<b><u>58,239,688</u></b>	<b><u>59,824,727</u></b>
<b>EQUITY</b>			
Share capital		<b>74,465</b>	74,436
Reserves		<b>1,986,750</b>	2,173,544
Retained earnings		<b>2,168,242</b>	2,081,560
<b>Equity attributable to shareholders of the Company</b>		<b>4,229,457</b>	4,329,540
Perpetual capital securities and other non-controlling interests		<b>1,098,740</b>	810,422
<b>Total equity</b>		<b><u>5,328,197</u></b>	<b><u>5,139,962</u></b>
<b>LIABILITIES</b>			
Deferred income tax liabilities		<b>1,303,752</b>	1,191,479
Borrowings	7	<b>43,046,205</b>	42,911,870
Medium-term notes	8	<b>1,599,726</b>	1,656,173
Bonds and debentures	9	<b>3,930,722</b>	5,943,499
Derivative financial liabilities		<b>233,712</b>	147,735
Income tax payables		<b>133,162</b>	66,056
Interest payables		<b>292,538</b>	392,690
Other liabilities and accruals		<b>2,371,674</b>	2,375,263
<b>Total liabilities</b>		<b><u>52,911,491</u></b>	<b><u>54,684,765</u></b>
<b>Total equity and liabilities</b>		<b><u>58,239,688</u></b>	<b><u>59,824,727</u></b>

## CONSOLIDATED STATEMENT OF INCOME

		Year ended 31 December	
	Note	2024	2023
		HK\$'000	HK\$'000
<b>Total revenue</b>			
<b>Lease income</b>			
Finance lease income		608,828	600,996
Operating lease income		<u>3,740,861</u>	<u>3,598,207</u>
	10	<u>4,349,689</u>	<u>4,199,203</u>
<b>Other operating income</b>			
Net income from aircraft transactions and aircraft components trading	11	212,714	124,501
Other income	12	<u>641,360</u>	<u>439,993</u>
		<u>854,074</u>	<u>564,494</u>
		<u>5,203,763</u>	<u>4,763,697</u>
<b>Expenses</b>			
Interest expenses		(2,710,584)	(2,244,481)
Depreciation and impairment		(1,686,569)	(1,618,823)
Reversal of expected credit losses/ (expected credit losses)		71,211	(51,038)
Other operating expenses		<u>(550,044)</u>	<u>(341,044)</u>
		<u>(4,875,986)</u>	<u>(4,255,386)</u>
<b>Compensation received from aircraft remained in Russia</b>		–	185,384
<b>Share of results from associates and joint ventures</b>		160	(389)
<b>Other gains/(losses), net</b>	13	<u>313,325</u>	<u>(179,571)</u>
<b>Profit before income tax</b>		641,262	513,735
Income tax expenses	14	<u>(315,653)</u>	<u>(293,578)</u>
<b>Profit for the year</b>		<u><u>325,609</u></u>	<u><u>220,157</u></u>

	<b>Year ended 31 December</b>	
<i>Note</i>	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Profit attributable to</b>		
Shareholders of the Company	<b>257,545</b>	28,256
Holder of perpetual capital securities and other non-controlling interests	<u><b>68,064</b></u>	<u>191,901</u>
	<u><b>325,609</b></u>	<u>220,157</u>
<b>Earnings per share for profit attributable to shareholders of the Company (expressed in HK\$ per share)</b>		
– Basic earnings per share	<i>15(a)</i> <u><b>0.346</b></u>	<u>0.038</u>
– Diluted earnings per share	<i>15(b)</i> <u><b>0.346</b></u>	<u>0.038</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the year</b>	<u>325,609</u>	<u>220,157</u>
<b>Other comprehensive (loss)/income for the year:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Cash flow hedges	(44,493)	(149,126)
Currency translation differences	<u>(139,456)</u>	<u>6,539</u>
	<u>(183,949)</u>	<u>(142,587)</u>
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences attributed to non-controlling interests	<u>576</u>	<u>383</u>
<b>Total other comprehensive loss for the year, net of tax</b>	<u>(183,373)</u>	<u>(142,204)</u>
<b>Total comprehensive income for the year</b>	<u><u>142,236</u></u>	<u><u>77,953</u></u>
<b>Total comprehensive income/(loss) for the year attributable to</b>		
Shareholders of the Company	73,596	(114,331)
Holder of perpetual capital securities and other non-controlling interests	<u>68,640</u>	<u>192,284</u>
	<u><u>142,236</u></u>	<u><u>77,953</u></u>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				Perpetual capital securities and other non-controlling interests			Total equity <i>HK\$'000</i>
	Share capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>	Other		Total <i>HK\$'000</i>	
					Perpetual capital securities <i>HK\$'000</i>	non-controlling interests <i>HK\$'000</i>		
<b>Balance as at 1 January 2024</b>	<u>74,436</u>	<u>2,173,544</u>	<u>2,081,560</u>	<u>4,329,540</u>	<u>837,013</u>	<u>(26,591)</u>	<u>810,422</u>	<u>5,139,962</u>
<b>Comprehensive income</b>								
Profit for the year	-	-	257,545	257,545	59,386	8,678	68,064	325,609
<b>Other comprehensive (loss)/income</b>								
Cash flow hedges	-	(44,493)	-	(44,493)	-	-	-	(44,493)
Currency translation differences	-	(139,456)	-	(139,456)	-	576	576	(138,880)
<b>Total comprehensive (loss)/income</b>	<u>-</u>	<u>(183,949)</u>	<u>257,545</u>	<u>73,596</u>	<u>59,386</u>	<u>9,254</u>	<u>68,640</u>	<u>142,236</u>
<b>Transactions with shareholders and non-controlling interests</b>								
Redemption of perpetual capital securities	-	-	-	-	(808,157)	-	(808,157)	(808,157)
Other	-	-	29,998	29,998	(29,998)	-	(29,998)	-
Issue of shares upon scrip dividend scheme	29	857	-	886	-	-	-	886
Dividends	-	-	(201,011)	(201,011)	-	-	-	(201,011)
Dividends distributed to perpetual capital securities	-	-	-	-	(50,413)	-	(50,413)	(50,413)
Issuance of perpetual capital securities	-	-	-	-	1,104,068	-	1,104,068	1,104,068
Share option scheme:								
– Value of services	-	336	-	336	-	-	-	336
– Share options lapsed	-	(150)	150	-	-	-	-	-
Partial disposal of a subsidiary	-	(3,888)	-	(3,888)	-	4,178	4,178	290
<b>Total transactions with shareholders and non-controlling interests</b>	<u>29</u>	<u>(2,845)</u>	<u>(170,863)</u>	<u>(173,679)</u>	<u>215,500</u>	<u>4,178</u>	<u>219,678</u>	<u>45,999</u>
<b>Balance as at 31 December 2024</b>	<u><u>74,465</u></u>	<u><u>1,986,750</u></u>	<u><u>2,168,242</u></u>	<u><u>4,229,457</u></u>	<u><u>1,111,899</u></u>	<u><u>(13,159)</u></u>	<u><u>1,098,740</u></u>	<u><u>5,328,197</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				Perpetual capital securities and other non-controlling interests			Total equity <i>HK\$'000</i>
	Share capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>	Perpetual capital securities <i>HK\$'000</i>	Other		
						controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>	
<b>Balance as at 1 January 2023</b>	<u>74,436</u>	<u>2,314,613</u>	<u>2,276,247</u>	<u>4,665,296</u>	<u>1,617,351</u>	<u>(26,430)</u>	<u>1,590,921</u>	<u>6,256,217</u>
<b>Comprehensive income</b>								
Profit for the year	-	-	28,256	28,256	192,445	(544)	191,901	220,157
<b>Other comprehensive (loss)/income</b>								
Cash flow hedges	-	(149,126)	-	(149,126)	-	-	-	(149,126)
Currency translation differences	-	6,539	-	6,539	-	383	383	6,922
<b>Total comprehensive (loss)/income</b>	<u>-</u>	<u>(142,587)</u>	<u>28,256</u>	<u>(114,331)</u>	<u>192,445</u>	<u>(161)</u>	<u>192,284</u>	<u>77,953</u>
<b>Transactions with shareholders and non-controlling interests</b>								
Redemption of perpetual capital securities	-	-	-	-	(806,115)	-	(806,115)	(806,115)
Dividends	-	-	(223,306)	(223,306)	-	-	-	(223,306)
Dividends distributed to perpetual capital securities	-	-	-	-	(166,668)	-	(166,668)	(166,668)
Share option scheme:								
- Value of services	-	1,881	-	1,881	-	-	-	1,881
- Share options lapsed	-	(363)	363	-	-	-	-	-
<b>Total transactions with shareholders and non-controlling interests</b>	<u>-</u>	<u>1,518</u>	<u>(222,943)</u>	<u>(221,425)</u>	<u>(972,783)</u>	<u>-</u>	<u>(972,783)</u>	<u>(1,194,208)</u>
<b>Balance as at 31 December 2023</b>	<u><u>74,436</u></u>	<u><u>2,173,544</u></u>	<u><u>2,081,560</u></u>	<u><u>4,329,540</u></u>	<u><u>837,013</u></u>	<u><u>(26,591)</u></u>	<u><u>810,422</u></u>	<u><u>5,139,962</u></u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Cash flows from operating activities</b>		
Profit before income tax	641,262	513,735
Adjustments for:		
– Depreciation and impairment	1,686,569	1,618,823
– Net income from aircraft transactions	(211,125)	(118,276)
– (Reversal of expected credit losses)/ expected credit losses	(71,211)	51,038
– Interest expenses	2,710,584	2,244,481
– Share-based payments	336	1,881
– Unrealised currency exchange gains	(452,243)	(67,522)
– Hedge ineffectiveness and fair value changes on currency swap, interest rate swaps and currency forward contracts	132,646	121,045
– Share of results from associates and joint ventures	(160)	389
– Interest income	(242,915)	(198,553)
– Fair value (gains)/losses on financial assets at fair value through profit or loss	(8,279)	130,555
– Reduction in the estimated unguaranteed residual value of finance lease receivables	11,779	–
	4,197,243	4,297,596
<b>Changes in working capital:</b>		
– Finance lease receivables – net	(868,760)	(389,132)
– Prepayments and other assets	(188,042)	113,966
– Aircraft components trading assets	(1,243)	3,311
– Other liabilities and accruals	50,890	(202,721)
	3,190,088	3,823,020
Cash generated from operations	3,190,088	3,823,020
Income taxes paid	(160,209)	(137,146)
	3,029,879	3,685,874
Net cash flows generated from operating activities	3,029,879	3,685,874

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,763,777)	(6,090,351)
Proceeds from disposal of aircraft and novation of aircraft purchase agreement	6,383,838	6,284,570
PDP and prepayments paid for acquisition of aircraft	(2,525,439)	(4,970,414)
PDP refunded	2,049,016	821,911
Interest received	226,691	212,681
Payments relating to financial assets at fair value through profit or loss	–	(62,280)
Proceeds from distribution of financial assets at fair value through profit or loss	–	97,592
Payments relating to loans to associates and joint ventures	(430,740)	(611,795)
Repayments of loans to associates and joint ventures	665,834	352,635
Net cash flows used in investing activities	<u>(394,577)</u>	<u>(3,965,451)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	26,378,680	27,425,312
Issue of bonds and debentures, net of transaction costs	–	2,207,221
Issue of medium-term notes, net of transaction costs	1,626,377	–
Repayments of borrowings	(25,715,657)	(22,536,927)
Repurchase and repayment of bonds and debentures, including transaction costs	(1,874,809)	(1,617,779)
Repurchase of medium-term notes	(1,615,241)	–
Repayment of lease liabilities	(16,116)	(17,154)
Interest received in respect of derivative financial instruments	53,021	101,049
Interest paid in respect of borrowings, notes, bonds and debentures	(3,188,428)	(2,861,613)
(Payments for settlement)/proceeds from disposal of derivative financial instruments	(40,704)	29,958
Pledge of deposits placed in respect of borrowings	(20,001)	(678,919)
Pledge of deposits released in respect of borrowings	334,675	1,356,199
Pledge of deposits placed in respect of derivative financial instruments	(159,605)	(203,796)
Pledge of deposits released in respect of derivative financial instruments	85,412	97,907
Redemption of perpetual capital securities	(808,157)	(806,115)
Issue of perpetual capital securities	1,104,068	–
Dividends paid to holders of perpetual capital securities	(50,413)	(166,668)
Dividends paid to shareholders	(200,125)	(223,306)
Net cash flows (used in)/generated from financing activities	<u>(4,107,023)</u>	<u>2,105,369</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,471,721)</b>	<b>1,825,792</b>
Cash and cash equivalents at beginning of the year	5,295,875	3,552,533
Currency exchange difference on cash and cash equivalents	(45,836)	(82,450)
<b>Cash and cash equivalents at end of the year</b>	<b><u>3,778,318</u></b>	<b><u>5,295,875</u></b>

## NOTES

### 1 GENERAL INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands on 21 December 2012 as an exempted company with limited liability under the Companies Law (2012 Revision) of the Cayman Islands. The address of the Company's registered office is Maples Corporate Services Limited, P.O. Box 309, Umland House, Grand Cayman KY1-1104, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 11 July 2014 (the "**Listing**").

The Company is an investment holding company and its subsidiaries are principally engaged in the aircraft leasing business. The Company and its subsidiaries (together, the "**Group**") have operations mainly in Mainland China and other countries or regions globally.

The consolidated financial statements are presented in Hong Kong dollar ("**HK\$**"), unless otherwise stated.

### 2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("**HKFRS**")

#### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

## **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### ***HKFRS 18 Presentation and Disclosure in Financial Statements***

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

### 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- derivative financial instruments and financial assets at fair value through profit or loss – measured at fair value; and
- assets classified as held for sale – measured at the lower of carrying amount and fair value less costs to sell.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

#### ***Going concern***

As at 31 December 2024, the Group’s current liabilities exceeded its current assets by HK\$4,983.7 million. The Group had total capital commitments of HK\$45,137.9 million as at 31 December 2024, which related to acquisition of aircraft that will be delivered in stages in the coming years until the end of 2028. Out of the total capital commitments, HK\$11,061.6 million is forecasted to be incurred and payable within one year based on the current delivery schedules and forecasted delivery schedules with the Original Equipment Manufacturers (“**OEMs**”). The Group will satisfy these capital commitments through the Group’s internal resources, available and additional banking facilities and aircraft project loans which usually can only be confirmed by the relevant banks shortly before the delivery of the aircraft. As at 31 December 2024, the Group had cash and bank balances of HK\$4,079.4 million.

The Group will need to secure a substantial amount of funds in the foreseeable future to finance the financial obligations and capital expenditures under contractual and other arrangements. The directors have given due and careful consideration to the liquidity of the Group and its available sources of financing in assessing whether the Group has sufficient working capital for its present requirements, covering a period of not less than twelve months from 31 December 2024. The directors have taken into account the following plans and measures for the purposes of their assessment:

- New aircraft project loans are primarily used for the payment of the balances of the aircraft acquisition costs and the repayments of the PDP financing due upon delivery of aircraft. Such aircraft project loans will usually be confirmed by the banks before the delivery of the relevant aircraft. In 2024, the Group has successfully obtained aircraft project loans or loan facilities from certain banks at one or two years preceding the lease-attached aircraft delivery. The Group has drawn down these loans before the aircraft delivery. Besides, the Group sometimes finances the new aircraft with internal resources or short-term bridging financing depending on the financial situation and the progress of bank approvals. Subsequently, the Group may seek refinancing for these aircraft through new aircraft project loans. During the year ended 31 December 2024, the Group has drawn down 32 aircraft project loan facilities of HK\$10,063.3 million from certain onshore and offshore banks and financial institutions. The Group will continue to arrange aircraft project loan facilities from time to time. Based on the previous experience and practices in the industry, the directors are of the view that the Group will be able to obtain the necessary aircraft project loans as and when required in the next twelve months from 31 December 2024.
- According to the relevant aircraft purchase agreements, the scheduled payment of PDP for the next twelve months from 31 December 2024 amounts to HK\$3,873.3 million.

For the scheduled payment of PDP and repayment of utilised facility drawdowns under the facilities expiring in the next twelve months from 31 December 2024, certain portion will be repaid by the PDP facilities to be released when aircraft is delivered and related PDP financing is repaid. As at 31 December 2024, the Group had already obtained PDP financing facilities from banks to provide financing up to HK\$7,031.5 million to satisfy the forecasted committed PDP payments in the next twelve months from 31 December 2024. With such facilities, internal resources and/or facilities obtained from other financing channels of the Group, the Group will be able to satisfy payments of the committed PDP and repayment of PDP facilities at maturity in the next twelve months from 31 December 2024.

- As at 31 December 2024, the Group had working capital loan and revolving loan facilities of HK\$18,891.9 million out of which HK\$11,953.4 million has been utilised. The directors are confident that the Group can drawdown the remaining unutilised loan facilities of HK\$6,938.5 million as and when required and will be able to renew substantially all the existing revolving facilities and further secure new working capital loan facilities. The Group has also initiated the process to obtain new working capital loan and renew working capital loan facilities with certain banks.



- The Group is also pursuing other sources of financing, including issuance of bonds and medium-term notes as well as other debt and capital financing. In April 2024, the Group issued three-year medium-term notes of RMB0.3 billion and five-year medium-term notes of RMB1.2 billion in the PRC. In February 2025, the Group issued five-year corporate bonds of RMB1.5 billion. The Group will continue to review the market conditions and may issue additional RMB medium-term notes, RMB bonds and US\$ bonds when needed. Based on the credit profile of the Group, the successful history of issuance of similar debt instruments, the directors are confident that the Group will be able to issue the relevant debt instruments and obtain the required financing as and when required.
  
- The Group has been preserving the multi-faceted development of its asset-light business model through establishment and management of aviation-related funds and joint venture companies, while at the same time, building up network buyers that will acquire aircraft from its aircraft portfolio. The Group continues to expand its portfolio trading business. As at 31 December 2024, the Group has signed letters of intent or sale and purchase agreements for the disposals of 21 aircraft, scheduled to be disposed in the next twelve months from 31 December 2024. Based on the Group’s experience in aircraft portfolio trading in previous years, the directors are confident that the scheduled disposals of aircraft will be completed, and the proceeds will be collected according to the expected schedule in the next twelve months from 31 December 2024.

The directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the Group’s internal resources, the cash flows generated from its business operations, continued availability of existing and new banking facilities, the successful execution of its plans in obtaining the aircraft project loans from the banks and financial institutions, the successful issuance of debt instruments, the successful disposals of aircraft as planned, the Group has sufficient working capital for its present requirements in the next twelve months from 31 December 2024. Accordingly, the directors consider that the Group will be in a position to continue as a going concern and hence prepared the consolidated financial statements on a going concern basis.

#### 4 FINANCE LEASE RECEIVABLES – NET

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Lease payments receivables		
– Not later than one year	<b>1,050,241</b>	159,498
– Later than one year but not later than two years	<b>1,817,925</b>	1,044,011
– Later than two years but not later than three years	<b>1,520,548</b>	1,812,018
– Later than three years but not later than four years	<b>275,103</b>	1,501,718
– Later than four years but not later than five years	<b>431,086</b>	249,815
– Later than five years	<b>437,173</b>	669,808
	<hr/>	<hr/>
Total	<b>5,532,076</b>	5,436,868
<i>Less: Unearned finance lease income relating to lease payment receivables</i>	<b>(809,565)</b>	(1,018,333)
	<hr/>	<hr/>
Present value of lease payment receivables	<b>4,722,511</b>	4,418,535
<i>Add: Present value of unguaranteed residual value</i>	<b>4,481,454</b>	4,165,724
	<hr/>	<hr/>
Net investment in leases	<b>9,203,965</b>	8,584,259
<i>Less: Accumulated expected credit losses allowance</i>	<b>(18,508)</b>	(6,920)
	<hr/>	<hr/>
Finance lease receivables – net	<b>9,185,457</b>	8,577,339
	<hr/> <hr/>	<hr/> <hr/>

The accumulated expected credit losses allowance on financial lease receivables amounted to HK\$18,508,000 (2023: HK\$6,920,000). A net expected credit losses of HK\$11,681,000 (2023: net reversal of expected credit losses of HK\$4,935,000) was recognised for the year ended 31 December 2024.

The following table sets forth the finance lease receivables attributable to airline companies:

	<b>As at 31 December</b>			
	<b>2024</b>		<b>2023</b>	
	<b>HK\$'000</b>	<b>%</b>	<b>HK\$'000</b>	<b>%</b>
Categorised by customer in terms of lease receivables:				
Five largest airline companies	<b>6,197,396</b>	<b>67%</b>	6,061,740	71%
Others	<b>2,988,061</b>	<b>33%</b>	2,515,599	29%
	<hr/>	<hr/>	<hr/>	<hr/>
Finance lease receivables – net	<b>9,185,457</b>	<b>100%</b>	8,577,339	100%
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Shareholder's loan to CAG Group (a)	576,136	579,296
Shareholder's loan to Feitian No.2 Leasing (Tianjin) Company Limited ("Feitian No.2 (Tianjin)") (b)	45,945	38,160
Exchangeable bonds (c)	850,000	–
Others	3,995	4,293
	<u>1,476,076</u>	<u>621,749</u>

- (a) CAG uses the fund injected through a performance-linked shareholder's loan from the Group and the mezzanine financing from other investors at a ratio of 20% to 80%, together with a shareholding between the Group and other investors at the same ratio. Pursuant to shareholders' agreement and shareholders' loan agreement, all investors of CAG committed to invest in CAG through shareholders' loan according to the mezzanine financing proportion.
- (b) The Group entered into a shareholder's loan agreement and a subordinated fee agreement with Feitian No.2 (Tianjin).
- (c) In October 2023, the Group has entered into an exchangeable bond subscription agreement with Aircraft Recycling International Limited ("ARI") in respect of the subscription of HK\$850.0 million exchangeable bonds to be issued by ARI. On 1 January 2024, the Group had completed the subscription of the exchangeable bonds. For details of the arrangement, please refer to the Circular dated 29 November 2023.

## 6 PREPAYMENTS AND OTHER ASSETS

- (a) **PDP and other prepayments and receivables relating to aircraft acquisition**

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
PDP and other prepayments and receivables relating to aircraft acquisition	<u>7,855,333</u>	<u>7,626,274</u>

(b) **Prepayments and other assets**

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Operating lease receivables <i>(Note)</i>	<b>376,860</b>	448,625
Deposits paid	<b>27,858</b>	48,705
Prepayments and amounts due from related parties	<b>190,741</b>	98,649
Deductible input taxes	<b>57,753</b>	63,986
Others	<b>183,574</b>	190,757
	<b>836,786</b>	850,722
Less: Accumulated expected credit losses allowance <i>(Note)</i>	<b>(152,951)</b>	(203,556)
	<b>683,835</b>	647,166

*Note:*

The Group recognised an allowance for impairment losses by providing for expected credit losses when the lessee is expected as not being able to pay the amounts due under its lease agreements.

The aging of the operating lease receivables based on due date was as follows:

	<b>As at 31 December</b>			
	<b>2024</b>		<b>2023</b>	
	<b>HK\$'000</b>	<b>%</b>	<b>HK\$'000</b>	<b>%</b>
Current/deferral	<b>70,762</b>	<b>19%</b>	135,656	30%
Less than 30 days past due	<b>980</b>	<b>1%</b>	4,180	1%
30 to 90 days past due	<b>2,894</b>	<b>1%</b>	19,277	4%
More than 90 days past due	<b>302,224</b>	<b>79%</b>	289,512	65%
Total	<b>376,860</b>	<b>100%</b>	448,625	100%

As at 31 December 2024, the accumulated expected credit losses allowance against operating lease receivables amounted to HK\$152,951,000 (2023: HK\$203,556,000) and the net carrying amount of operating lease receivables was HK\$223,909,000 (2023: HK\$245,069,000). A net reversal of expected credit losses of HK\$49,731,000 (2023: net expected credit losses of HK\$16,074,000) was recognised during the year ended 31 December 2024.

## 7 BORROWINGS

	<b>As at 31 December</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Bank and other borrowings</b>		
Bank and other borrowings for aircraft acquisition financing (a)	<b>21,537,088</b>	23,309,584
PDP financing (b)	<b>6,294,118</b>	6,127,842
Other bank borrowings (c)	<b>11,021,832</b>	8,802,585
	<b>38,853,038</b>	38,240,011
<b>Other long-term borrowings</b>		
Borrowings from trust plans (d)	<b>3,989,918</b>	4,263,795
Other borrowings (e)	<b>203,249</b>	408,064
	<b>4,193,167</b>	4,671,859
	<b>43,046,205</b>	42,911,870

### Bank and other borrowings

- (a) Bank and other borrowings for aircraft acquisition financing are principally based on fixed or floating rates (including US\$ SOFR and RMB LPR). As at 31 December 2024, certain bank borrowings were secured by, in addition to other legal charges, the related aircraft leased to airline companies under either finance leases or operating leases, pledge of the shares in the subsidiaries owning the related aircraft, guarantees from certain companies of the Group, and pledged deposits amounting to HK\$53,640,000 (2023: HK\$56,323,000). As at 31 December 2024, bank and other borrowings of HK\$1,598,033,000 (2023: HK\$903,557,000) were unsecured.
- (b) As at 31 December 2024, PDP financings of HK\$6,294,118,000 (2023: HK\$6,127,842,000) were unsecured and guaranteed by the Company or certain companies of the Group.
- (c) As at 31 December 2024, unsecured other bank borrowings amounted to HK\$11,021,832,000, of which HK\$5,690,561,000 were guaranteed by the Company or certain companies of the Group.

As at 31 December 2023, other bank borrowings of HK\$312,324,000 were secured by pledged deposits amounting to HK\$313,495,000. The unsecured other bank borrowings amounted to HK\$8,490,261,000, of which HK\$3,937,290,000 were guaranteed by the Company or certain companies of the Group.

### **Other long-term borrowings**

- (d) As at 31 December 2024, 43 borrowings (2023: 45 borrowings) were provided to the Group by investors under trust plans or an asset-backed securities programme (both are in relation to the disposals of finance lease receivable transactions). The average effective interest rates of the long-term borrowings range from 5.8% to 7.8% (2023: 3.5% to 7.8%) per annum for remaining terms of one to five years (2023: one to six years). These long-term borrowings were secured by the shares of, and the aircraft held by the relevant subsidiaries, guaranteed by certain companies of the Group, and pledged deposits amounting to HK\$43,954,000 (2023: HK\$44,183,000).
- (e) As at 31 December 2024, two borrowings (2023: four borrowings) were obtained through a structured financing arrangement for two aircraft (2023: four aircraft) delivered to airlines. These borrowings bear an effective interest rate ranging from 3.9% to 4.3% (2023: 3.9% to 5.7%) per annum for their remaining terms of one year (2023: one to two years) and were guaranteed by the Company.

## **8 MEDIUM-TERM NOTES**

In April 2022, the Group issued three-year medium-term notes, with coupon rate adjustment option for the Group and sell-back option for investors exercisable at the end of the second year, in a principal amount of RMB1.5 billion due in 2025, bearing coupon interest at 4.5% per annum. In April 2024, the Group repurchased a principal amount of RMB1.49 billion from the investors.

In April 2024, the Group issued three-year RMB0.3 billion medium-term notes due in 2027, bearing coupon rate of 2.75% per annum and five-year RMB1.2 billion medium-term notes due in 2029, bearing coupon rate of 3.3% per annum.

As at 31 December 2024, after deducting the issuing cost, the total carrying amount of these notes was HK\$1,599,726,000 (2023: HK\$1,656,173,000).

## **9 BONDS AND DEBENTURES**

In March 2017, the Group issued seven-year senior unsecured bonds of US\$200.0 million due in 2024. The bonds bear coupon interest at 5.5% per annum and are payable semi-annually. These bonds were listed on the Stock Exchange and were guaranteed by the Company. These bonds had been fully repaid on maturity.

In November 2020, the Group entered into a subscription agreement with an independent third party in relation to the issuance of five-year US\$70.0 million senior unsecured bonds, of which US\$35.0 million were issued in November 2020 and due in 2025 and US\$35.0 million were issued in January 2021 and due in 2026. The bonds bear coupon interest at 5.9% per annum, payable semi-annually.

In December 2021, the Group issued three-year US\$100.0 million unsecured guaranteed notes due in 2024, bearing coupon interest at 4.85% per annum. These notes were guaranteed by the Company and were listed on the Stock Exchange. These notes had been fully repaid on maturity.

In February 2022, the Group issued three-year RMB1.2 billion private bonds due in 2025, bearing coupon rate of 4.4% per annum.

In June 2023, the Group issued three-year RMB1.5 billion corporate bonds due in 2026, bearing coupon rate of 3.85% per annum. These bonds were listed on the Shanghai Stock Exchange.

In November 2023, the Group issued three-year RMB0.5 billion corporate bonds due in 2026, bearing a coupon rate of 3.58% per annum. These bonds were listed on the Shanghai Stock Exchange.

During the year ended 31 December 2023, the Group repurchased certain amount of bonds on the Stock Exchange for an aggregate amount of US\$51,120,000.

As at 31 December 2024, the total carrying amount of bonds and debentures was HK\$3,930,722,000 (2023: HK\$5,943,499,000).

## 10 LEASE INCOME AND SEGMENT INFORMATION

During the year ended 31 December 2024, the Group was engaged in the provision of aircraft leasing services to global airline companies. The Group leases its aircraft to airline companies under finance leases or operating leases under which it receives rentals.

The following table sets forth the amounts of total finance and operating lease income attributable to individual airline companies:

	Year ended 31 December			
	2024		2023	
	HK\$'000	%	HK\$'000	%
Categorised by customer in terms of lease income:				
Airline Company – A	1,120,050	26%	1,088,094	26%
Airline Company – B	562,729	13%	669,591	16%
Airline Company – C	309,437	7%	159,156	4%
Airline Company – D	297,472	7%	252,442	6%
Airline Company – E	181,069	4%	181,668	4%
Others	1,878,932	43%	1,848,252	44%
Total finance and operating lease income	<u>4,349,689</u>	<u>100%</u>	<u>4,199,203</u>	<u>100%</u>

## 11 NET INCOME FROM AIRCRAFT TRANSACTIONS AND AIRCRAFT COMPONENTS TRADING

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Aircraft transactions (a)	211,125	118,276
Aircraft components trading (b)	<u>1,589</u>	<u>6,225</u>
	<u><u>212,714</u></u>	<u><u>124,501</u></u>

### (a) Aircraft transactions

The net gain from aircraft transactions for the year ended 31 December 2024 included the net gain from disposal of 25 aircraft to third parties.

The net gain from aircraft transactions for the year ended 31 December 2023 included the net gain from disposal of five aircraft, including the disposal of one aircraft to Feitian No.2 (Tianjin) and the disposal of four aircraft to third parties, and the gain from the novation of aircraft purchase agreement.

### (b) Aircraft components trading

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Sales from aircraft components trading assets	1,900	9,832
Less: Cost of aircraft components trading assets	<u>(311)</u>	<u>(3,607)</u>
Profit from aircraft components trading assets	<u><u>1,589</u></u>	<u><u>6,225</u></u>

## 12 OTHER INCOME

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Government grants (a)	316,207	171,773
Interest income from loans to associates and joint ventures	114,257	110,675
Bank interest income	128,658	87,878
Asset management service fees income from CAG Group	16,659	18,381
Others	<u>65,579</u>	<u>51,286</u>
	<u><u>641,360</u></u>	<u><u>439,993</u></u>

(a) Government grants represent the grants and subsidies from the Mainland China government to support the development of aircraft leasing industry.



**13 OTHER GAINS/(LOSSES), NET**

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
(Realised losses)/unrealised gains on currency swap	(13,903)	4,456
Currency exchange gains/(losses) in US\$	67,551	(1,253)
Currency exchange gains in RMB	381,920	73,282
Fair value losses on currency forward contracts in RMB	(127,902)	(125,962)
Change in fair value of interest rate swaps	8,822	–
Hedge ineffectiveness	337	461
Fair value gains/(losses) on financial assets at fair value through profit or loss	8,279	(130,555)
Reduction in the estimated unguaranteed residual value of finance lease receivables	(11,779)	–
	<u>313,325</u>	<u>(179,571)</u>

**14 INCOME TAX EXPENSES**

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Current income tax:		
Mainland China, Hong Kong and others	227,315	157,352
Deferred income tax	88,338	136,226
	<u>315,653</u>	<u>293,578</u>

**15 EARNINGS PER SHARE****(a) Basic**

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023.

	Year ended 31 December	
	2024	2023
Profit attributable to shareholders of the Company (HK\$'000)	257,545	28,256
Weighted average number of ordinary shares in issue (number of shares in thousands)	<u>744,468</u>	<u>744,355</u>
Basic earnings per share (HK\$ per share)	<u>0.346</u>	<u>0.038</u>

(b) **Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. Share options are dilutive where they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the financial period. For share options outstanding as at 31 December 2024 and 2023, as the exercise price per share is higher than average market price of ordinary shares, it is not assumed that the outstanding share options have been exercised in the calculation of the diluted earnings per share for the years ended 31 December 2024 and 2023.

**16 DIVIDENDS**

A final dividend of HK\$0.15 per ordinary share totalling HK\$111.7 million (including cash dividend and scrip dividend) for the year ended 31 December 2023 was paid by cash of HK\$110.8 million and by share issuance of HK\$0.9 million in August 2024.

An interim dividend of HK\$0.12 per ordinary share totalling HK\$89.4 million was paid by cash in October 2024.

On 18 March 2025, the Board recommended a final dividend of HK\$0.18 per ordinary share totalling HK\$134.0 million and proposed a scrip dividend option to be offered, which is calculated based on 744,648,542 issued shares as at 18 March 2025. The proposed dividend is not reflected as a dividend payable in the consolidated financial statements as at 31 December 2024, and will be reflected as an appropriation of retained earnings for the year ending 31 December 2025.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interim dividend paid of HK\$0.12 (2023: HK\$0.15) per ordinary share	<u>89,358</u>	<u>111,653</u>
Proposed final dividend of HK\$0.18 (2023: HK\$0.15) per ordinary share	<u>134,037</u>	<u>111,653</u>
	<u><b>223,395</b></u>	<u><b>223,306</b></u>

## RECONCILIATIONS OF NON-GAAP MEASURES

The Group considers that the payments to trust plans are not included as interest expenses when evaluating its operating results and for financial and operational decision-making purposes. The table below sets forth a reconciliation of adjusted interest expenses, which was calculated by excluding payments related to trust plans or asset-backed securities programme. These adjustments were made to assist investors on their understanding of the changes and trends related to the Group's operations, for the periods indicated:

	Year ended 31 December	
	2024	2023
	<i>HK\$'Million</i>	<i>HK\$'Million</i>
Interest expenses	2,710.6	2,244.5
Less: Payments to trust plans	<u>(263.3)</u>	<u>(291.0)</u>
Adjusted interest expenses	<u>2,447.3</u>	<u>1,953.5</u>

The Group uses non-GAAP presentations in the consolidated statement of income as presented on page 52 in evaluating its operating results and for financial and operational decision-making purposes. The non-GAAP presentations do not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies. The Group believes that the non-GAAP presentations provide more accurate presentations of its operating performance in its business by classifying certain other gains and other losses as other operating gains/(losses) and excluding the payments related to trust plans or asset-backed securities programme from interest expenses. The Group believes that the non-GAAP presentations would provide more accurate presentation of the Group's performance from the perspective of the management of the Group.

The Group disclosed unaudited non-GAAP financial measures for the year ended 31 December 2023, which included adjusted profit attributable to shareholders of the Company, adjusted profit for the year, adjusted EBITDA and adjusted earnings per share (Basic). As the fair value changes on CAG Group has no material impact on the financial performance of the Group for the year ended 31 December 2024, the Group no longer disclose the aforesaid non-GAAP measures.

## CONSOLIDATED STATEMENT OF INCOME

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
<b>Total revenue</b>		
<b>Lease income</b>		
Finance lease income	608,828	600,996
Operating lease income	<u>3,740,861</u>	<u>3,598,207</u>
	<u>4,349,689</u>	<u>4,199,203</u>
<b>Other operating income</b>		
Net income from aircraft transactions and aircraft components trading	212,714	124,501
Other income	<u>641,360</u>	<u>439,993</u>
	<u>854,074</u>	<u>564,494</u>
	<u>5,203,763</u>	<u>4,763,697</u>
<b>Compensation received from aircraft remained in Russia</b>	<u>–</u>	<u>185,384</u>
	<u>5,203,763</u>	<u>4,949,081</u>
<b>Expenses</b>		
Interest expenses	(2,447,280)	(1,953,515)
Depreciation and impairment	(1,686,569)	(1,618,823)
Reversal of expected credit losses/(expected credit losses)	71,211	(51,038)
Other operating expenses	<u>(550,044)</u>	<u>(341,044)</u>
	<u>(4,612,682)</u>	<u>(3,964,420)</u>
<b>Other operating gains/(losses), net</b>	<u>307,666</u>	<u>(49,477)</u>
<b>Operating profit</b>	<u>898,747</u>	<u>935,184</u>
<b>Share of results from associates and joint ventures</b>	160	(389)
<b>Fair value losses on CAG Group</b>	–	(156,568)
<b>Other losses, net</b>	<u>(257,645)</u>	<u>(264,492)</u>
<b>Profit before income tax</b>	<u><u>641,262</u></u>	<u><u>513,735</u></u>

## FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK\$0.18 per share in respect of the year ended 31 December 2024 (2023: HK\$0.15 per share) to shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company (the “**Register of Members**”) on 27 June 2025. The proposed 2024 final dividends will be payable in cash, with an option given to the Shareholders to receive the proposed 2024 final dividend in new shares in lieu of cash in whole or in part under the scrip dividend scheme (the “**Scrip Dividend Scheme**”) where a 3 per cent discount on the subscription price will be offered to Shareholders who elect to subscribe for shares. The Scrip Dividend Scheme is subject to: (1) approval of the proposed 2024 final dividend at the annual general meeting of the Company to be held on 27 May 2025 (the “**2025 AGM**”); and (2) the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular containing details of the Scrip Dividend Scheme will be despatched to the Shareholders together with the form of election for scrip dividend in July 2025. Cheques for cash dividend and/or definitive certificates for the scrip shares in respect of the proposed 2024 final dividend are expected to be despatched to the Shareholders on or about 15 August 2025.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders’ eligibility to attend and vote at the 2025 AGM and entitlement to the 2024 final dividend, the Register of Members will be closed in accordance with the following timetable:

- (i) For determining Shareholders’ eligibility to attend and vote at the 2025 AGM:
  - a) Latest time to lodge transfer documents for registration 4:30 pm on 21 May 2025
  - b) Closure of Register of Members 22 May 2025 to 27 May 2025  
*(both dates inclusive)*

(ii) For determining entitlement to the 2024 final dividend:

- |    |  |  |
|----|--|--|
| a) | Latest time to lodge transfer documents for registration | 4:30 pm on 23 June 2025                                |
| b) | Closure of Register of Members                           | 24 June 2025 to 27 June 2025<br>(both dates inclusive) |
| c) | Record date  | 27 June 2025   |

During the above closure periods, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, and to qualify for the proposed 2024 final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the time set out above.

#### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

In 2024, the Group has redeemed all outstanding CALC 3 Bonds in aggregate principal amount of U.S.\$148,880,000 in whole at maturity pursuant to the terms of the U.S.\$200,000,000 5.50 PER CENT. guaranteed bonds due 2024 (Stock Code: 05391) issued by CALC Bond 3 Limited (the "CALC 3 Bonds") and all outstanding CALC Notes in aggregate principal amount of U.S.\$91,400,000 in whole at maturity pursuant to the U.S.\$100,000,000 4.85 PER CENT. guaranteed notes due 2024 (Stock Code: 40972) issued by CALC Bonds Limited (the "CALC Notes"). Following the full redemption, the CALC 3 Bonds and the CALC Notes were cancelled in whole, and the Group is discharged from all the obligations under and in respect of the CALC 3 Bonds and the CALC Notes. Details of the bonds and debentures are provided in the section headed Bonds and Debentures in this announcement.

In April 2022, the Group issued three-year medium-term notes, with coupon rate adjustment option for the Group and sell-back option for investors exercisable at the end of the second year, in a principal amount of RMB1.5 billion due in 2025, bearing coupon interest at 4.5% per annum. In April 2024, the Group repurchased a principal amount of RMB1.49 billion from the investors. Please refer to the section headed Medium-Term Notes in this announcement for details.

Save as disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **EVENTS AFTER THE REVIEW YEAR**

On 21 January 2025 (after trading hours), the Company (through its wholly-owned subsidiary, as Buyer) entered into the Aircraft Sale and Purchase Agreements with the Sellers (an independent third party) in relation to the acquisition of two aircraft. The transactions are expected to be completed by end of August 2025. Please refer to the announcement of the Company dated 21 January 2025 for details.

On 13 March 2025 (after trading hours), in order to enhance the Group's credit profile and pursue long-term sustainable growth, a wholly-owned special purpose vehicle of the Company (the Seller) entered into the Aircraft Portfolio and Asset Sale and Purchase Agreement with an independent third party (the Purchaser) in relation to the sale of six leased-attached aircraft. The sale transactions are expected to be completed by the end of October 2026. Please refer to the announcement of the Company dated 13 March 2025 for details.

Save as disclosed above, there were no material events subsequent to 31 December 2024 which would materially affect the Group's operating and financial performance as of the date of this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board is committed to attaining and maintaining high standards of corporate governance and applies corporate governance practices appropriate to the conduct and growth of business of the Group that emphasise a quality board, accountability to all stakeholders, open communication and fair disclosure. It is the firm belief of the Company that a good and solid corporate governance framework is essential to the successful growth of the Company and the enhancement of shareholder value.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to formulate its business strategies and policies, and to enhance its transparency, accountability and shareholder value. The Company has adopted the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as its corporate governance practices. The Company has complied with all code provisions as set out in Part 2 of the CG Code during the year ended 31 December 2024 save and except the following:

In respect of Code Provision F.2.2, the chairman of the board should attend the annual general meeting. Mr. ZHANG Mingao was absent at the annual general meeting held on 21 May 2024 (the “AGM”). In his absence, Ms. WANG Yun, Non-executive Director and chairman of the Strategy Committee, took the chair of the AGM. Other members of the Board, chairmen of each of the Audit Committee, Remuneration Committee and Nomination Committee, as well as the external auditor, who also attended the AGM, were of sufficient calibre for answering questions at the AGM.

In respect of environmental, social and governance (“ESG”) aspect, the Company’s first ESG report for the year of 2014 was published in 2015. The 2024 ESG report is the 11th report the Company will produce focusing on its ESG efforts.

The 2024 ESG report, setting out the Group’s ESG performance, will be available at the Company’s website (www.calc.aero) and the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (www.hkexnews.hk). The Group has applied the principles and complied with all applicable requirements and provisions of the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Listing Rules in preparation of its 2024 ESG report.

The Company will continue to enhance its corporate governance practices as appropriate to the conduct and growth of its business and to review and evaluate such practices from time to time to ensure that it complies with the CG Code and aligns with the latest developments.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year.

## **AUDIT COMMITTEE REVIEW**

As at the date of this announcement, the Company’s Audit Committee consisted of Mr. FAN Chun Wah, Andrew (chairman of the Audit Committee), Mr. CHEOK Albert Saychuan, Dr. TSE Hiu Tung, Sheldon and Dr. HONG Wen (appointed on 18 March 2025), all of them are Independent Non-executive Directors. During the year, the Audit Committee has reviewed with the management team and Deloitte Touche Tohmatsu (“Deloitte”), the external auditor of the Company, the accounting principles and practices adopted by the Group and discussed matters regarding auditing, internal control, risk management and financial reporting, including the review of the audited consolidated financial statements of the Group for the year ended 31 December 2024.



## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the related notes thereto for the year ended 31 December 2024 as set out in the annual result announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 18 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the annual result announcement.

## **2025 AGM AND PUBLICATION OF 2024 RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the websites of the Company ([www.calc.aero](http://www.calc.aero)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2025 AGM is scheduled to be held on 27 May 2025. The notice of the 2025 AGM and the 2024 annual report will be dispatched to the Shareholders and available on the same websites in due course.

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

Hong Kong, 18 March 2025

*As at the date of this announcement, (i) the Non-executive Directors are Mr. AN Xuesong (Chairman) and Mr. PAN Jianyun; (ii) the Executive Directors are Mr. POON Ho Man (Chief Executive Officer) and Mr. LI Guohui (Chief Financial Officer and Chief Strategy Officer); and (iii) the Independent Non-executive Directors are Mr. CHEOK Albert Saychuan, Dr. TSE Hiu Tung, Sheldon, M.H., Mr. FAN Chun Wah, Andrew, J.P., and Dr. HONG Wen.*