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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the “**Board**”) of China Aircraft Leasing Group Holdings Limited (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 as follows:

FINANCIAL HIGHLIGHTS

	For the six months ended		Change
	30 June		
	2025	2024	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Total revenue	2,405.2	2,528.1	-4.9%
Profit attributable to shareholders of the			
Company	140.5	131.7	+6.7%
Operating profit	481.0	273.5	+75.9%
Earnings per share (Basic) (HK\$)	0.189	0.177	+6.8%
Interim dividend per share (HK\$)	0.12	0.12	—

INTERIM BUSINESS REVIEW

The global air transport industry maintained its growth momentum during the first half of 2025. The latest data from the International Air Transport Association (“**IATA**”) suggested a 5.1% year-on-year growth in total global air traffic (measured in revenue passenger kilometers or RPKs) during the first half of 2025, with passenger load factor rising to 82.5% from the same period of last year. The China civil aviation market demonstrated a fast-growing trajectory, with international traffic increasing by approximately 30%, and the overall load factor reaching a new high of 84.2%. At the same time, unabated supply chain pressure, insufficient production capacity, and supply shortages continued to push up aircraft lease rates and asset values. On the other hand, exchange rate fluctuations caused by global trade disputes continued to pose short-term challenges to the aviation industry.

In line with the development trends of the aviation industry, the Group actively captured market opportunities while adhering to a prudent strategy, delivering solid operational and financial results in the first half of the year. For the six months ended 30 June 2025 (the “**Review Period**”), the Group’s total revenue was HK\$2,405.2 million (1H 2024: HK\$2,528.1 million). Profit attributable to shareholders of the Company for the Review Period amounted to HK\$140.5 million (1H 2024: HK\$131.7 million), representing a year-on-year increase of 6.7%. Earnings per share increased to HK\$0.189 (1H 2024: HK\$0.177).

The Board has resolved to declare an interim dividend of HK\$0.12 per ordinary share (1H2024: HK\$0.12), totalling HK\$89.8 million.

1) Stay Active in Trading to Optimize Asset Portfolio

During the Review Period, with its prudent fleet strategy, the Group continued to optimize its fleet portfolio through its quality order book as well as aircraft trading capability, maintaining a highly liquid and modern fleet.

During the Review Period, the Group delivered a total of 10 new aircraft and 1 used aircraft to airline customers, the majority of which were Airbus new-generation fuel-efficient models. Meanwhile, the Group proactively exploited market opportunities stemming from rising aircraft values and the interest rate-cut cycle. Drawing on its global trading network strengths, the Group signed sale and purchase agreements/letters of intent for a total of 21 aircraft and successfully completed the sale of 19 aircraft and 2 engines, setting a new record for aircraft transactions compared with the same period in the past years. Engaging in aircraft trading allows the Group to secure sales proceeds and at the same time continue to optimize its fleet portfolio.

As at 30 June 2025, there were a total of 181 aircraft in the Group's fleet, including 151 owned aircraft and 30 managed aircraft. By number of aircraft, 89% of the owned fleet were narrow-body models, a highly liquid and in-demand asset class in the market where its overall asset value continues to rise 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 30 June 2025, the average age of the Group's owned fleet was 8.6 years, and the average remaining lease term was 5.7 years.

In terms of aircraft orders, as one of the few lessors worldwide capable of direct aircraft procurement from aircraft original equipment manufacturers ("OEMs"), the Group continues to support the development of China-made aircraft while investing in new-generation fuel-efficient aircraft models. As at 30 June 2025, the Group had a total of 114 aircraft on backlog, including 88 Airbus and 26 COMAC aircraft. As at 30 June 2025, the number of aircraft on backlog exceeded 70% of the Group's owned fleet size, providing strong support for future growth.

2) Accelerate Global Presence with a Focus on Creditworthy Clientele

During the first half of 2025, the Group continued to strengthen its leading position in the PRC market while actively expanding its global footprints with premium customers. During the Review Period, among all the new aircraft delivered by the Group, 7 were leased to overseas airlines and 3 were leased to domestic airlines, including the first batch of three new Airbus A321neo aircraft delivered to United Airlines. At the same time, the Group also signed its first new aircraft lease agreement with Thai Airways, the flag carrier of Thailand, and successfully delivered one aircraft to Korean Air, the flag carrier of South Korea, through remarketing upon the expiry of the first lease.

As at 30 June 2025, by number of aircraft, 67% of the Group's owned fleet were leased to Chinese airline customers (including Hong Kong, Macau and Taiwan), most of which are state-owned airlines with strong financial strength. At the same time, the Group continued to expand its global quality customer base, with overseas customers accounting for more than 30%. As at 30 June 2025, the Group's owned and managed aircraft were leased to 41 airline customers across 22 countries and regions globally. Benefiting from the continuous improvement in the overall client profiles, the overall rent collection ratio of the Group for the Review Period amounted to 102%.

In addition, all new aircraft scheduled for delivery in or before December 2026 have been mandated for lease, more than half of which will be leased to overseas airline companies. The proportion of the Group's overseas customers is expected to further increase in the future.

3) Strengthen Financing Capabilities and Enhance Credit Rating

The Group has established its onshore and offshore dual-market platforms with diversified financing channels and continuously expands and optimizes its sources of funds to ensure sufficient liquidity while persistently optimizing its debt structure.

While active aircraft trading business has generated abundant cash flows for the Group, during the Review Period, total new and renewed facilities obtained by the Group amounted to over HK\$10 billion, including aircraft loans, Pre-Delivery Payments (“**PDP**”) financing, and RMB bonds, etc. As at 30 June 2025, the Group had cash and cash equivalents of HK\$4,884 million, and undrawn borrowing facilities of HK\$11,228 million. The total balance of cash and cash equivalents as well as undrawn borrowing facilities amounted to HK\$16,112 million.

In terms of USD financing, during the Review Period, the Group successfully upsized its first warehouse facility for aircraft financing issued in 2024, to US\$700 million, and received oversubscriptions from a total of 20 top global financial institutions. This marked one of the largest aviation finance syndications in the past decades, adding another innovative financing channel while ensuring continued access to USD funding for the Group. Meanwhile, as global markets enter an interest rate cut cycle, the Group has recently capitalized on the favorable issuance window to strategically re-enter the USD public bond market, enhancing its USD funding flexibility.

In terms of RMB financing, 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 Period, the Group, through its wholly-owned subsidiary China Asset Leasing Company Limited (“**CALC (Tianjin)**”), successfully issued RMB1.5 billion 5-year corporate bonds with a coupon rate of 2.38%, which was oversubscribed by 1.73 times, reflecting the recognition of the Group’s operational strength and development prospects by the PRC bond investors. As at 30 June 2025, RMB debts accounted for approximately 32% of the Group’s interest-bearing debts. In terms of repayment, the Group has paid down RMB 1.2 billion bonds due during the Review Period.

During the Review Period, CALC (Tianjin) maintained the highest credit rating of AAA granted by two major PRC rating agencies, both with a stable outlook. Moving forward, the Group will closely monitor onshore and offshore market dynamics and implement disciplined operational planning and proactive financial management aligned with business objectives, advancing toward international investment-grade issuer, thereby reinforcing market confidence in our long-term growth.

4) Two Years of Safe Operation Unleashed A New Chapter for China-made Aircraft

During the Review Period, PT Transnusa Aviation Mandiri (“**TransNusa**”) in Indonesia, an associated company of the Group and a flagship airline to facilitate the overseas operation of China-made aircraft, took delivery of its fourth COMAC C909 aircraft and successfully launched the “Indonesia Manado – Shanghai Pudong” route. This is the second route operated by TransNusa’s C909 fleet to a tier-one Chinese city as well as China’s major integrated gateway hub, following the launch of services to Guangzhou. It signifies further recognition of the commercialization and internationalization of China-made aircraft in regional transportation networks. During the Review Period, TransNusa reached a milestone with the two-year safe operation of its C909 fleet, having flown to 4 countries and 20 regions, transporting over 360,000 passengers, achieving both technical excellence and market recognition. Looking ahead, the Group expects to continuously support TransNusa in operating the C909 fleet, actively serving national strategic goals, steadily advancing the internationalization process of China-made aircraft, and continue demonstrating China’s civil aviation innovation capabilities.

PROSPECTS

In 2025, the global aviation market is expected to maintain steady growth. According to IATA’s full-year 2025 profit forecast released in June, total industry revenue and full-year passenger traffic are expected to reach record highs of US\$979 billion and 4.99 billion passengers, respectively. However, the market widely expects supply chain challenges to persist, with a global aircraft shortage likely to continue for several years, thereby 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 global airlines with flexible and comprehensive aircraft full life-cycle solutions.

In the second half of the year, the Federal Reserve is expected to initiate a new round of interest rate cuts, further reducing the Group’s funding costs while boosting the global trading market, bringing more prime trading opportunities. Riding on the market trend, the Group will proactively seize opportunities, build on the strong momentum of trading activities in the first half of the year, and continue optimizing its fleet assets while expanding its managed fleet. At the same time, we will also closely monitor foreign exchange market fluctuations, continue to flexibly utilize diversified financing channels, optimize our capital structure, enhance our operating strength and credit profile, thereby creating long-term value for all stakeholders of the Group.

INTERIM CONSOLIDATED STATEMENT OF INCOME

	Unaudited Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Total revenue		
Lease income		
Finance lease income	333,282	300,224
Operating lease income	<u>1,574,830</u>	<u>1,922,237</u>
	<u>1,908,112</u>	<u>2,222,461</u>
Other operating income		
Net income from aircraft transactions and aircraft components trading	294,679	25,427
Other income	<u>202,434</u>	<u>280,208</u>
	<u>497,113</u>	<u>305,635</u>
	<u>2,405,225</u>	<u>2,528,096</u>
Expenses		
Interest expenses and payments to trust plans	(1,104,362)	(1,340,118)
Depreciation and impairment	(683,313)	(839,726)
Reversal of expected credit losses	7,805	28,331
Other operating expenses	<u>(267,377)</u>	<u>(236,601)</u>
	<u>(2,047,247)</u>	<u>(2,388,114)</u>
Share of results from associates and joint ventures	799	(564)
Other (losses)/gains, net	<u>(170,381)</u>	<u>162,001</u>
Profit before income tax	188,396	301,419
Income tax expenses	<u>(30,529)</u>	<u>(115,770)</u>
Profit for the period	<u>157,867</u>	<u>185,649</u>
Profit attributable to		
Shareholders of the Company	140,526	131,749
Holders of perpetual capital securities and other non-controlling interests	<u>17,341</u>	<u>53,900</u>
	<u>157,867</u>	<u>185,649</u>
Earnings per share for profit attributable to shareholders of the Company (expressed in HK\$ per share)		
– Basic earnings per share	<u>0.189</u>	<u>0.177</u>
– Diluted earnings per share	<u>0.189</u>	<u>0.177</u>

INTERIM CONSOLIDATED BALANCE SHEET

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
ASSETS		
Property, plant and equipment and right-of-use assets	29,072,332	28,860,008
Pre-Delivery Payments (“PDP”) and other prepayments and receivables relating to aircraft acquisition	7,772,295	7,855,333
Investments in and loans to associates and joint ventures	655,753	491,697
Finance lease receivables – net	9,518,719	9,185,457
Deferred income tax assets	94,814	36,058
Financial assets at fair value through profit or loss	1,484,326	1,476,076
Prepayments and other assets	726,988	683,835
Assets classified as held for sale	4,330,242	5,555,238
Aircraft components trading assets	2,601	3,177
Derivative financial assets	7,556	13,381
Restricted cash	62,984	301,110
Cash and cash equivalents	4,884,186	3,778,318
Total assets	58,612,796	58,239,688
EQUITY		
Share capital	74,465	74,465
Reserves	1,927,299	1,986,750
Retained earnings	2,179,765	2,168,242
Equity attributable to shareholders of the Company	4,181,529	4,229,457
Perpetual capital securities and other non-controlling interests	1,644,159	1,098,740
Total equity	5,825,688	5,328,197
LIABILITIES		
Deferred income tax liabilities	1,220,915	1,303,752
Borrowings	42,815,976	43,046,205
Medium-term notes	1,643,222	1,599,726
Bonds and debentures	4,384,084	3,930,722
Derivative financial liabilities	6,945	233,712
Income tax payables	172,688	133,162
Interest payables	229,826	292,538
Other liabilities and accruals	2,313,452	2,371,674
Total liabilities	52,787,108	52,911,491
Total equity and liabilities	58,612,796	58,239,688

MANAGEMENT DISCUSSION AND ANALYSIS

1. RESULTS

Total revenue of the Group for the period ended 30 June 2025 was HK\$2,405.2 million, representing a decrease of HK\$122.9 million or 4.9% from HK\$2,528.1 million in the corresponding period last year. Profit for the period ended 30 June 2025 amounted to HK\$157.9 million (For the six months ended 30 June 2024: HK\$185.6 million). Profit attributable to shareholders of the Company for the period ended 30 June 2025 amounted to HK\$140.5 million (For the six months ended 30 June 2024: HK\$131.7 million). Earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) for the period ended 30 June 2025 amounted to HK\$1,976.1 million (For the six months ended 30 June 2024: HK\$2,481.3 million).

Total assets amounted to HK\$58,612.8 million as at 30 June 2025, compared with HK\$58,239.7 million as at 31 December 2024, representing an increase of HK\$373.1 million or 0.6%. The assets size remained stable.

Total liabilities amounted to HK\$52,787.1 million as at 30 June 2025, representing a decrease of HK\$124.4 million or 0.2% compared with HK\$52,911.5 million as at 31 December 2024. The liabilities size remained stable.

1.1 Total Revenue

For the six months ended 30 June 2025, the total revenue amounted to HK\$2,405.2 million, compared with HK\$2,528.1 million for the corresponding period last year, representing a decrease of HK\$122.9 million or 4.9%.

Total lease income from finance leases and operating leases for the six months ended 30 June 2025 amounted to HK\$1,908.1 million, compared with HK\$2,222.5 million for the six months ended 30 June 2024, representing a decrease of HK\$314.4 million or 14.1%. The decrease in total lease income was mainly due to the decrease in the fleet size of the Group from 172 aircraft as at 30 June 2024 to 151 aircraft as at 30 June 2025.

For the six months ended 30 June 2025, the Group's average lease rental yield of the finance leases and operating leases was 6.8% (For the six months ended 30 June 2024: 9.5%) and 9.3% (For the six months ended 30 June 2024: 10.2%), 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 9.3% (For the six months ended 30 June 2024: 10.1%). The decrease in the average lease rental yield of the finance leases is mainly due to the reclassification of certain finance lease aircraft to operating lease during the six months ended 30 June 2025.

1.2 Other Operating Income

1.2.1 Net Income from Aircraft Transactions and Aircraft Components Trading

For the six months ended 30 June 2025, the Group recognised net gain from disposal of 19 aircraft and aircraft components trading amounted to HK\$294.7 million (For the six months ended 30 June 2024: net gain from disposal of five aircraft and aircraft components trading amounted to HK\$25.4 million). The aggregate net book value of aircraft disposed amounted to HK\$5,573.8 million (For the six months ended 30 June 2024: HK\$507.4 million).

1.2.2 Other Income

During the six months ended 30 June 2025, the Group had the following other income:

	Unaudited		
	Six months ended 30 June		
	2025	2024	Change
	HK\$'Million	HK\$'Million	
Government grants	66.6	113.1	-41.1%
Interest income from loans to associates and joint ventures	46.0	55.0	-16.4%
Bank interest income	62.1	65.3	-4.9%
Asset management service fees income from CAG Bermuda 1 Limited ("CAG") and its subsidiaries (collectively, "CAG Group")	4.3	9.2	-53.3%
Others	23.4	37.6	-37.8%
Total	202.4	280.2	-27.8%

Government grants for the six months ended 30 June 2025 amounted to HK\$66.6 million, compared with HK\$113.1 million for the six months ended 30 June 2024, representing a decrease of HK\$46.5 million or 41.1%.

1.3 Expenses

1.3.1 Interest Expenses and Payments to Trust Plans

For the six months ended 30 June 2025, interest expenses and payments to trust plans incurred by the Group amounted to HK\$1,104.4 million, compared with HK\$1,340.1 million for the corresponding period last year, a decrease of HK\$235.7 million or 17.6%. The decrease in interest expenses and payments to trust plans was mainly due to (i) the decrease in bank and other borrowings as a result of decrease in fleet size during the period and (ii) the decrease in average US\$ SOFR from 5.36% for the six months ended 30 June 2024 to 4.47% for the corresponding period in 2025. The average effective interest rate of bank and other borrowings during the period was 5.52% (For the six months ended 30 June 2024: 6.30%).

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 US\$ interest rate for the unhedged exposure as at 30 June 2025:

US\$ Interest rate	Impact on	
	Cash outflow	Profit
	HK\$'Million	attributable to shareholders of the Company HK\$'Million
Increased by 100 basis points	198	(134)
Decreased by 100 basis points	(198)	134

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 six months ended 30 June 2025 was HK\$683.3 million compared with HK\$839.7 million for the corresponding period last year, a decrease of HK\$156.4 million or 18.6%. This was mainly attributable to the decrease in the number of aircraft under operating leases subject to depreciation from 119 aircraft as at 30 June 2024 to 90 aircraft as at 30 June 2025. 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.

1.3.3 Reversal of 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 six months ended 30 June 2025, 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 other operating expenses was mainly due to increase in engine rental expenses.

1.4 Other (Losses)/Gains, Net

	Unaudited		
	Six months ended 30 June		
	2025	2024	Change
	HK\$'Million	HK\$'Million	
Currency exchange (losses)/gains	(176.3)	253.5	N/A
Fair value gains/(losses) on currency forward contracts	16.1	(78.2)	N/A
Fair value gains on financial assets at fair value through profit or loss	0.7	0.4	+75.0%
Changes in fair value of interest rate swaps	(6.3)	–	N/A
Hedge ineffectiveness	0.6	0.2	+200.0%
Realised losses on a currency swap	–	(13.9)	N/A
Loss on disposal of a subsidiary	(5.2)	–	N/A
Total	<u>(170.4)</u>	<u>162.0</u>	N/A

The net exchange losses arising from net financial liabilities denominated in RMB was mainly due to the depreciation of US\$ exchange rate against RMB from approximately 7.3 as at 31 December 2024 to approximately 7.2 as at 30 June 2025.

Sensitivity test

As at 30 June 2025, the net RMB financial liabilities of the Group exposed to currency exchange risk with profit or loss impact amounted to RMB4.2 billion. Hedging arrangement amounted to RMB0.6 billion was made to reduce the impact. The net RMB exchange rate risk exposure with profit or loss impact as at 30 June 2025 was RMB3.6 billion. A 5% appreciation/depreciation of RMB against US\$ would result in a decrease/increase in profit before tax for the six months ended 30 June 2025 by HK\$195.7 million.

1.5 Income Tax Expenses

Income tax for the six months ended 30 June 2025 was HK\$30.5 million compared to HK\$115.8 million in the corresponding period last year. The decrease is mainly due to the reversal of deferred tax liabilities provided in prior years and recognition of deferred tax assets on prior year tax losses due to foreseeable future profits and utilisation of such.

2. INTERIM CONSOLIDATED BALANCE SHEET

2.1 Assets

As at 30 June 2025, the Group's total assets amounted to HK\$58,612.8 million compared with HK\$58,239.7 million as at 31 December 2024, an increase of HK\$373.1 million or 0.6%.

	Unaudited As at 30 June 2025 HK\$'Million	Audited As at 31 December 2024 HK\$'Million	Change
Property, plant and equipment and right-of-use assets (mainly "Aircraft under operating leases")	29,072.3	28,860.0	+0.7%
Finance lease receivables – net ("Aircraft under finance leases")	9,518.7	9,185.5	+3.6%
Assets classified as held for sale ("Aircraft under operating leases for trading")	4,330.2	5,555.2	–22.1%
Pre-Delivery Payments ("PDP") and other prepayments and receivables relating to aircraft acquisition	7,772.3	7,855.3	–1.1%
Deferred income tax assets	94.8	36.1	+162.6%
Prepayments and other assets	729.6	687.0	+6.2%
Investments in and loans to associates and joint ventures	655.8	491.7	+33.4%
Financial assets at fair value through profit or loss	1,484.3	1,476.1	+0.6%
Derivative financial assets	7.6	13.4	–43.3%
Restricted cash	63.0	301.1	–79.1%
Cash and cash equivalents	4,884.2	3,778.3	+29.3%
Total assets	<u>58,612.8</u>	<u>58,239.7</u>	+0.6%

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 increase in property, plant and equipment and right-of-use assets despite of the reduction in the fleet size of the Group under operating lease from 91 aircraft as at 31 December 2024 to 90 aircraft as at 30 June 2025 was mainly due to the appreciation of US\$ exchange rate and RMB exchange rate against HK\$ during the current period.

Net finance lease receivables represented the present value of minimum lease payments receivable from aircraft classified as finance leases and their residual values. The fleet size of the Group under finance lease remained at 49 aircraft as at 30 June 2025.

Assets classified as held for sale represented cost of assets expected to be disposed in the next twelve months. The number of aircraft classified as held for sale decreased from 19 aircraft as at 31 December 2024 to 12 aircraft as at 30 June 2025 due to disposals of several aircraft classified as held for sale during the six months ended 30 June 2025.

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:

	As at 30 June 2025 Owned Aircraft	As at 31 December 2024 Owned Aircraft
Property, plant and equipment and right-of-use assets (Operating leases)	90	91
Finance lease receivables – net (Finance leases)	49	49
Assets classified as held for sale (Operating leases)	<u>12</u>	<u>19</u>
Total <i>(note)</i>	<u>151</u>	<u>159</u>

Note: Including one aircraft remained in Russia as at 30 June 2025 (31 December 2024: 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 159 aircraft as at 31 December 2024 to 151 aircraft as at 30 June 2025.

As at 30 June 2025, the aggregate net book value of the aircraft was HK\$42,242.1 million (31 December 2024: HK\$42,812.4 million).

2.1.2 Aircraft Portfolio

Aircraft portfolio by number of aircraft is as follows:

	As at 30 June 2025 Owned Aircraft	As at 31 December 2024 Owned Aircraft	As at 30 June 2024 Owned Aircraft
Aircraft Type			
Airbus A320 CEO family	67	71	80
Airbus A320 NEO family	50	51	54
Airbus A330 CEO family	12	12	13
Boeing B737 NG family	15	19	19
Boeing B737 MAX family	2	2	2
Boeing B787	1	1	1
COMAC C909	4	3	3
	<hr/>	<hr/>	<hr/>
Total <i>(note)</i>	<u>151</u>	<u>159</u>	<u>172</u>

Note: Including one aircraft remained in Russia as at 30 June 2025 (31 December 2024 and 30 June 2024: 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:

	Unaudited		Audited	
	As at 30 June 2025		As at 31 December 2024	
	<i>HK\$'Million</i>	<i>%</i>	<i>HK\$'Million</i>	<i>%</i>
Current/deferral	46.3	14%	70.8	19%
Less than 30 days past due	3.1	1%	1.0	1%
30 to 90 days past due	3.2	1%	2.9	1%
More than 90 days past due	<u>279.5</u>	<u>84%</u>	<u>302.2</u>	<u>79%</u>
	332.1	<u>100%</u>	376.9	<u>100%</u>
Less: Accumulated expected credit losses allowance	<u>(149.6)</u>		<u>(153.0)</u>	
Total	<u>182.5</u>		<u>223.9</u>	

With the recovery of the aviation industry, there is improvement in the rent collection. The operating lease receivables as at 30 June 2025 amounted to HK\$332.1 million compared with HK\$376.9 million as at 31 December 2024, a decrease of HK\$44.8 million or 11.9%.

The rent collection ratio, represented by the cash received over the amount of invoice billing, for the six months ended 30 June 2025 was 102.2% (for the six months ended 30 June 2024: 101.3%). The decrease in operating lease receivables is mainly due to the repayment from 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 30 June 2025, the Group's total liabilities amounted to HK\$52,787.1 million, compared with HK\$52,911.5 million as at 31 December 2024, a decrease of HK\$124.4 million or 0.2%.

An analysis is given as follows:

	Unaudited As at 30 June 2025 HK\$'Million	Audited As at 31 December 2024 HK\$'Million	Change
Borrowings	42,816.0	43,046.2	-0.5%
Bonds and debentures	4,384.1	3,930.7	+11.5%
Medium-term notes	1,643.2	1,599.7	+2.7%
 Total interest-bearing debts	 48,843.3	 48,576.6	 +0.5%
 Deferred income tax liabilities	 1,220.9	 1,303.8	 -6.4%
Interest payables	229.8	292.5	-21.4%
Income tax payables	172.7	133.2	+29.7%
Derivative financial liabilities	6.9	233.7	-97.0%
Other liabilities and accruals	2,313.5	2,371.7	-2.5%
 Total liabilities	 52,787.1	 52,911.5	 -0.2%

2.2.1 Borrowings

The analysis of borrowings is as follows:

	Unaudited As at 30 June 2025 <i>HK\$'Million</i>	Audited As at 31 December 2024 <i>HK\$'Million</i>	Change
Bank and other borrowings			
Bank and other borrowings for aircraft acquisition financing	20,009.0	21,537.1	-7.1%
PDP financing	5,688.5	6,294.1	-9.6%
Other bank borrowings	13,227.5	11,021.8	+20.0%
	38,925.0	38,853.0	+0.2%
Other borrowings			
Borrowings from trust plans	3,681.4	3,989.9	-7.7%
Other borrowings	209.6	203.3	+3.1%
	3,891.0	4,193.2	-7.2%
Total borrowings	42,816.0	43,046.2	-0.5%

The decrease in total borrowings from HK\$43,046.2 million as at 31 December 2024 to HK\$42,816.0 million as at 30 June 2025, representing a decrease of HK\$230.2 million or 0.5%, was mainly due to the net impact of (i) the decrease in bank and other borrowings for aircraft acquisition financing by HK\$1,528.1 million as the fleet size decreased from 159 aircraft as at 31 December 2024 to 151 aircraft as at 30 June 2025, (ii) the decrease in PDP financing by HK\$605.6 million and (iii) the increase in other bank borrowings by HK\$2,205.7 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	274.6	(a)
January 2021	Five years	January 2026	5.90%	<u>US\$35.0</u>	<u>274.6</u>	(a)
				<u>US\$70.0</u>	<u>549.2</u>	
June 2023	Three years	June 2026	3.85%	RMB1,500.0	1,643.0	(b)
November 2023	Three years	November 2026	3.58%	RMB 500.0	547.5	(b)
February 2025	Five years	February 2030	2.38%	<u>RMB1,500.0</u>	<u>1,644.4</u>	(b)
				<u>RMB3,500.0</u>	<u>3,834.9</u>	
Total bonds and debentures as at 30 June 2025					<u>4,384.1</u>	
Total bonds and debentures as at 31 December 2024					<u>3,930.7</u>	

The increase in bonds and debentures from HK\$3,930.7 million as at 31 December 2024 to HK\$4,384.1 million as at 30 June 2025 was mainly due to the net impact of the issuance of RMB1,500.0 million bonds and the repayment of RMB1,200.0 million bonds upon maturity.

Notes:

- (a) The bonds and debentures are unlisted and subscribed by an independent third party.
- (b) These 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 2024	Three years	April 2027	2.75%	300.0	328.6
April 2024	Five years	April 2029	3.30%	<u>1,200.0</u>	<u>1,314.6</u>
Total medium-term notes as at 30 June 2025				<u>1,500.0</u>	<u>1,643.2</u>
Total medium-term notes as at 31 December 2024					<u>1,599.7</u>

The balance of the medium-term notes remains stable.

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 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 six months ended 30 June 2025, 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:

	Unaudited As at 30 June 2025 <i>HK\$'Million</i>	Audited As at 31 December 2024 <i>HK\$'Million</i>	Change
Interest-bearing debts included in total			
liabilities	48,843.3	48,576.6	+0.5%
Total liabilities	52,787.1	52,911.5	-0.2%
Total assets	58,612.8	58,239.7	+0.6%
Total equity	5,825.7	5,328.2	+9.3%
Gearing ratio	83.3%	83.4%	-0.1p.p.
Asset-liability ratio	90.1%	90.9%	-0.8p.p.
Interest-bearing debts to equity ratio	8.4:1	9.1:1	-7.7%

4. HUMAN RESOURCES

As at 30 June 2025, the number of the Group's staff is 175 (30 June 2024: 183). Total remuneration of employees for the six months ended 30 June 2025 amounted to HK\$94.2 million (For the six months ended 30 June 2024: HK\$122.1 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 30 June 2025, the Group was a guarantor of certain bank borrowings of associates and joint ventures amounting to HK\$497.1 million (31 December 2024: HK\$515.6 million), of which HK\$187.5 million (31 December 2024: HK\$196.0 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\$309.6 million (31 December 2024: HK\$319.6 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\$41.4 billion as at 30 June 2025 (31 December 2024: HK\$45.1 billion), representing the estimated total purchase costs of the aircraft contracted to be purchased and delivered, net of PDP paid.

As at 30 June 2025, the Group had 114 aircraft in its order book, comprising 88 Airbus A320 aircraft family and 26 COMAC C909 aircraft.

During the Review Period, the Group completed the delivery of 11 aircraft.

During the Review Period, the Group completed the disposal of 19 aircraft.

INTERIM CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Note		
ASSETS			
Property, plant and equipment and right-of-use assets		29,072,332	28,860,008
Pre-Delivery Payments ("PDP") and other prepayments and receivables relating to aircraft acquisition	5(a)	7,772,295	7,855,333
Investments in and loans to associates and joint ventures		655,753	491,697
Finance lease receivables – net	3	9,518,719	9,185,457
Deferred income tax assets		94,814	36,058
Financial assets at fair value through profit or loss	4	1,484,326	1,476,076
Prepayments and other assets	5(b)	726,988	683,835
Assets classified as held for sale		4,330,242	5,555,238
Aircraft components trading assets		2,601	3,177
Derivative financial assets		7,556	13,381
Restricted cash		62,984	301,110
Cash and cash equivalents		4,884,186	3,778,318
Total assets		58,612,796	58,239,688
EQUITY			
Share capital		74,465	74,465
Reserves		1,927,299	1,986,750
Retained earnings		2,179,765	2,168,242
Equity attributable to shareholders of the Company		4,181,529	4,229,457
Perpetual capital securities and other non-controlling interests		1,644,159	1,098,740
Total equity		5,825,688	5,328,197
LIABILITIES			
Deferred income tax liabilities		1,220,915	1,303,752
Borrowings	6	42,815,976	43,046,205
Medium-term notes	7	1,643,222	1,599,726
Bonds and debentures	8	4,384,084	3,930,722
Derivative financial liabilities		6,945	233,712
Income tax payables		172,688	133,162
Interest payables		229,826	292,538
Other liabilities and accruals		2,313,452	2,371,674
Total liabilities		52,787,108	52,911,491
Total equity and liabilities		58,612,796	58,239,688

INTERIM CONSOLIDATED STATEMENT OF INCOME

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2025	2024
		HK\$'000	HK\$'000
Total revenue			
Lease income			
Finance lease income		333,282	300,224
Operating lease income		<u>1,574,830</u>	<u>1,922,237</u>
	9	<u>1,908,112</u>	<u>2,222,461</u>
Other operating income			
Net income from aircraft transactions and aircraft components trading	10	294,679	25,427
Other income	11	<u>202,434</u>	<u>280,208</u>
		<u>497,113</u>	<u>305,635</u>
		<u>2,405,225</u>	<u>2,528,096</u>
Expenses			
Interest expenses		(1,104,362)	(1,340,118)
Depreciation and impairment		(683,313)	(839,726)
Reversal of expected credit losses		7,805	28,331
Other operating expenses		<u>(267,377)</u>	<u>(236,601)</u>
		<u>(2,047,247)</u>	<u>(2,388,114)</u>
Share of results from associates and joint ventures		799	(564)
Other (losses)/gains, net	12	<u>(170,381)</u>	<u>162,001</u>
Profit before income tax		188,396	301,419
Income tax expenses	13	<u>(30,529)</u>	<u>(115,770)</u>
Profit for the period		<u>157,867</u>	<u>185,649</u>
Profit attributable to			
Shareholders of the Company		140,526	131,749
Holders of perpetual capital securities and other non-controlling interests		<u>17,341</u>	<u>53,900</u>
		<u>157,867</u>	<u>185,649</u>
Earnings per share for profit attributable to shareholders of the Company (expressed in HK\$ per share)			
–Basic earnings per share	14(a)	<u>0.189</u>	<u>0.177</u>
–Diluted earnings per share	14(b)	<u>0.189</u>	<u>0.177</u>

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Profit for the period	<u>157,867</u>	<u>185,649</u>
Other comprehensive (loss)/income for the period:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Cash flow hedges	(6,347)	(35,156)
Currency translation differences	<u>(48,070)</u>	<u>(43,131)</u>
	(54,417)	(78,287)
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences attributed to non-controlling interests	<u>(2,260)</u>	<u>447</u>
Total other comprehensive loss for the period, net of tax	<u>(56,677)</u>	<u>(77,840)</u>
Total comprehensive income for the period	<u><u>101,190</u></u>	<u><u>107,809</u></u>
Total comprehensive income attributable to		
Shareholders of the Company	86,109	53,462
Holders of perpetual capital securities and other non-controlling interests	<u>15,081</u>	<u>54,347</u>
	<u><u>101,190</u></u>	<u><u>107,809</u></u>

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				Attributable to holders of perpetual capital securities and other non-controlling interests			
	Share capital HK\$'000	Reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Holders of perpetual capital securities HK\$'000	Other non-controlling interests HK\$'000	Total HK\$'000	Total equity HK\$'000
Balance as at 1 January 2025 (audited)	74,465	1,986,750	2,168,242	4,229,457	1,111,899	(13,159)	1,098,740	5,328,197
Comprehensive income								
Profit for the period	-	-	140,526	140,526	16,849	492	17,341	157,867
Other comprehensive (loss)/income								
Cash flow hedges	-	(6,347)	-	(6,347)	-	-	-	(6,347)
Currency translation differences	-	(48,070)	-	(48,070)	-	(2,260)	(2,260)	(50,330)
Total comprehensive (loss)/income	-	(54,417)	140,526	86,109	16,849	(1,768)	15,081	101,190
Transactions with shareholders and non-controlling interests								
Dividends (Note 15)	-	-	(134,037)	(134,037)	-	-	-	(134,037)
Issuance of perpetual capital securities	-	-	-	-	530,628	-	530,628	530,628
Share option scheme:								
– Share options lapsed	-	(5,034)	5,034	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	(290)	(290)	(290)
Total transactions with shareholders and non-controlling interests	-	(5,034)	(129,003)	(134,037)	530,628	(290)	530,338	396,301
Balance as at 30 June 2025 (unaudited)	74,465	1,927,299	2,179,765	4,181,529	1,659,376	(15,217)	1,644,159	5,825,688
Balance as at 1 January 2024 (audited)	74,436	2,173,544	2,081,560	4,329,540	837,013	(26,591)	810,422	5,139,962
Comprehensive income								
Profit for the period	-	-	131,749	131,749	46,353	7,547	53,900	185,649
Other comprehensive (loss)/income								
Cash flow hedges	-	(35,156)	-	(35,156)	-	-	-	(35,156)
Currency translation differences	-	(43,131)	-	(43,131)	-	447	447	(42,684)
Total comprehensive (loss)/income	-	(78,287)	131,749	53,462	46,353	7,994	54,347	107,809
Transactions with shareholders and non-controlling interests								
Dividends	-	-	(111,653)	(111,653)	-	-	-	(111,653)
Dividends distributed to perpetual capital securities	-	-	-	-	(85,371)	-	(85,371)	(85,371)
Share option scheme:								
– Value of services	-	338	-	338	-	-	-	338
Total transactions with shareholders and non-controlling interests	-	338	(111,653)	(111,315)	(85,371)	-	(85,371)	(196,686)
Balance as at 30 June 2024 (unaudited)	74,436	2,095,595	2,101,656	4,271,687	797,995	(18,597)	779,398	5,051,085

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from operating activities		
Profit before income tax	188,396	301,419
Adjustments for:		
– Depreciation and impairment	683,313	839,726
– Net income from aircraft transactions	(295,217)	(25,256)
– Reversal of expected credit losses	(7,805)	(28,331)
– Interest expenses	1,104,362	1,340,118
– Share-based payments	–	338
– Unrealised currency exchange losses/(gains)	160,540	(250,331)
– Hedge ineffectiveness and fair value changes on currency swap, interest rate swaps and currency forward contracts	(10,373)	91,859
– Loss on disposal of a subsidiary	5,164	–
– Share of results from associates and joint ventures	(799)	564
– Interest income	(108,114)	(120,263)
– Fair value gains on financial assets at fair value through profit or loss	(661)	(375)
	1,718,806	2,149,468
Changes in working capital:		
– Finance lease receivables – net	(293,801)	(254,613)
– Prepayments and other assets	(24,547)	(167,751)
– Aircraft components trading assets	576	(1,497)
– Other liabilities and accruals	(242,962)	(82,435)
Cash generated from operations	1,158,072	1,643,172
Income taxes paid	(146,034)	(98,614)
Net cash flows generated from operating activities	1,012,038	1,544,558

Unaudited
Six months ended 30 June
2025 **2024**
HK\$'000 **HK\$'000**

Cash flows from investing activities

Purchase of property, plant and equipment	(4,465,435)	(4,567,983)
Proceeds from disposals of aircraft	5,875,744	327,758
PDP and prepayments paid for acquisition of aircraft	(1,480,418)	(1,118,120)
PDP refunded	1,564,791	1,272,683
Interest received	89,730	115,550
Investment in financial assets at fair value through profit or loss	(607)	–
Net payments from disposal of a subsidiary	(932)	–
Investment in a joint venture	(3,896)	–
Payments relating to loans to associates and joint ventures	(290,614)	(217,710)
Repayments of loans to associates and joint ventures	159,677	289,416

Net cash flows generated from/(used in) investing activities	<u>1,448,040</u>	<u>(3,898,406)</u>
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Cash flows from financing activities

Proceeds from borrowings	13,750,380	13,302,926
Issue of bonds and debentures, net of transaction costs	1,610,550	–
Issue of medium-term notes, net of transaction costs	–	1,628,176
Repayments of borrowings	(14,701,076)	(7,460,837)
Repayment of bonds and debentures, including transaction costs	(1,288,439)	(1,164,034)
Repayment and repurchase of medium-term notes, including transaction costs	(11,513)	(1,617,943)
Repayment of lease liabilities	(5,555)	(8,087)
Interest received in respect of derivative financial instruments	7,061	37,994
Interest paid in respect of borrowings, notes and bonds and debentures	(1,320,015)	(1,750,364)
Payments for settlement of derivative financial instruments	(218,555)	(40,787)
Pledge of deposits placed in respect of borrowings	(5,381)	(18,468)
Pledge of deposits released in respect of borrowings	40,592	334,257
Pledge of deposits placed in respect of derivative financial instruments	(23,573)	(61,318)
Pledge of deposits released in respect of derivative financial instruments	227,783	26,365
Issuance of perpetual capital securities, net of transaction costs	530,628	–

Net cash flows (used in)/generated from financing activities	<u>(1,407,113)</u>	<u>3,207,880</u>
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Net increase in cash and cash equivalents	1,052,965	854,032
Cash and cash equivalents at beginning of the period	3,778,318	5,295,875
Currency exchange difference on cash and cash equivalents	52,903	(35,400)

Cash and cash equivalents at end of the period	<u>4,884,186</u>	<u>6,114,507</u>
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NOTES

1 GENERAL INFORMATION ON THE GROUP

China Aircraft Leasing Group Holdings Limited (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, Ugland 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 the Mainland China and other countries or regions globally.

The interim condensed consolidated financial information for the six months ended 30 June 2025 (“**Interim Financial Information**”) is presented in Hong Kong Dollar (“**HK\$**”), unless otherwise stated.

2 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting”. The Interim Financial Information should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards and included in the 2024 annual report of the Company.

(a) Going concern

As at 30 June 2025, the Group’s current liabilities exceeded its current assets by HK\$7,697.2 million. The Group had total capital commitments of HK\$41,390.3 million as at 30 June 2025, 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\$12,430.1 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 30 June 2025, the Group had cash and cash equivalents of HK\$4,884.2 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 30 June 2025. 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 2025, 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 six months ended 30 June 2025, the Group has obtained 11 aircraft project loan facilities of HK\$2,640.0 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 30 June 2025.
- According to the relevant aircraft purchase agreements, the scheduled payment of PDP for the next twelve months from 30 June 2025 amounts to HK\$4,365.6 million.

For the scheduled payment of PDP and repayment of utilised facility drawdowns under the facilities expiring in the next twelve months from 30 June 2025, certain portion will be repaid by the PDP facilities to be released when aircraft is delivered and related PDP financing is repaid. As at 30 June 2025, the Group had already obtained PDP financing facilities from banks to provide financing up to HK\$7,126.3 million to satisfy the forecasted committed PDP payments in the next twelve months from 30 June 2025. 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 30 June 2025.

- As at 30 June 2025, the Group had working capital loan and revolving loan facilities of HK\$20,218.2 million out of which HK\$13,534.3 million has been utilised. The directors are confident that the Group can drawdown the remaining unutilised loan facilities of HK\$6,683.9 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 February 2025, the Group issued five-year corporate bonds of RMB1.5 billion in the People’s Republic of China. In August 2025, the Group issued three-year corporate bonds of US\$160.0 million offshore. 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 30 June 2025, the Group has signed sale and purchase agreements or letters of intent for the disposals of 16 aircraft, scheduled to be disposed in the next twelve months from 30 June 2025. 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 30 June 2025.

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 30 June 2025. Accordingly, the directors consider that the Group will be in a position to continue as a going concern and hence prepared the Interim Financial Information on a going concern basis.

(b) Accounting policies

The accounting policies and methods of computation used in the Interim Financial Information for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to a HKFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s Interim Financial Information:

Amendments to HKAS 21 Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Information.

3 FINANCE LEASE RECEIVABLES – NET

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Lease payments receivables		
– Not later than one year	1,683,076	1,050,241
– Later than one year but not later than two years	1,723,699	1,817,925
– Later than two years but not later than three years	1,174,232	1,520,548
– Later than three years but not later than four years	84,753	275,103
– Later than four years but not later than five years	457,614	431,086
– Later than five years	<u>496,055</u>	<u>437,173</u>
Total	5,619,429	5,532,076
Less: Unearned finance lease income relating to lease payment receivables	<u>(726,330)</u>	<u>(809,565)</u>
Present value of lease payment receivables	4,893,099	4,722,511
Add: Present value of unguaranteed residual value	<u>4,648,377</u>	<u>4,481,454</u>
Net investment in leases	9,541,476	9,203,965
Less: Accumulated expected credit losses allowance	<u>(22,757)</u>	<u>(18,508)</u>
Finance lease receivables – net	<u><u>9,518,719</u></u>	<u><u>9,185,457</u></u>

The accumulated expected credit losses allowance on financial lease receivables amounted to HK\$22,757,000 (31 December 2024: HK\$18,508,000). A net expected credit losses of HK\$4,019,000 (six months ended 30 June 2024: HK\$5,273,000) was recognised for the six months ended 30 June 2025.

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

	Unaudited As at 30 June 2025 HK\$'000	%	Audited As at 31 December 2024 HK\$'000	%
Categorised by customer in terms of lease receivables:				
Five largest airline companies	6,382,119	67%	6,197,396	67%
Others	<u>3,136,600</u>	<u>33%</u>	<u>2,988,061</u>	<u>33%</u>
Finance lease receivables – net	<u><u>9,518,719</u></u>	<u><u>100%</u></u>	<u><u>9,185,457</u></u>	<u><u>100%</u></u>

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Shareholder's loan to CAG Group (Note (a))	582,383	576,136
Shareholder's loan to Feitian No.2 Leasing (Tianjin) Company Limited ("Feitian No.2 (Tianjin)") (Note (b))	46,990	45,945
Exchangeable bonds (Note (c))	850,000	850,000
Others	4,953	3,995
	<u>1,484,326</u>	<u>1,476,076</u>

Notes:

- (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 shareholder's loan agreements and a subordinated fee agreement with Feitian No.2 (Tianjin).
- (c) The Group 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.

5 PREPAYMENTS AND OTHER ASSETS

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

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
PDP and other prepayments and receivables relating to aircraft acquisition	<u>7,772,295</u>	<u>7,855,333</u>

(b) **Prepayments and other assets**

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Operating lease receivables <i>(Note)</i>	332,114	376,860
Deposits paid	36,933	27,858
Prepayments and amounts due from related parties	196,530	190,741
Deductible input taxes	49,472	57,753
Others	261,537	183,574
	876,586	836,786
<i>Less: Accumulated expected credit losses allowance <i>(Note)</i></i>	(149,598)	(152,951)
	726,988	683,835

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

	Unaudited		Audited	
	As at 30 June 2025		As at 31 December 2024	
	HK\$'000	%	HK\$'000	%
Current/deferral	46,273	14%	70,762	19%
Less than 30 days past due	3,059	1%	980	1%
30 to 90 days past due	3,224	1%	2,894	1%
More than 90 days past due	279,558	84%	302,224	79%
Total	332,114	100%	376,860	100%

As at 30 June 2025, the accumulated expected credit losses allowance against operating lease receivables amounted to HK\$149,598,000 (31 December 2024: HK\$152,951,000) and the net carrying amount of operating lease receivables was HK\$182,516,000 (31 December 2024: HK\$223,909,000). A net reversal of expected credit losses of HK\$4,974,000 (six months ended 30 June 2024: HK\$2,330,000) was recognised during the six months ended 30 June 2025.

6 BORROWINGS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Bank and other borrowings		
Bank and other borrowings for aircraft acquisition financing (a)	20,008,945	21,537,088
PDP financing (b)	5,688,534	6,294,118
Other bank borrowings (c)	<u>13,227,541</u>	<u>11,021,832</u>
	<u>38,925,020</u>	<u>38,853,038</u>
Other borrowings		
Borrowings from trust plans (d)	3,681,372	3,989,918
Other borrowings (e)	<u>209,584</u>	<u>203,249</u>
	<u>3,890,956</u>	<u>4,193,167</u>
	<u><u>42,815,976</u></u>	<u><u>43,046,205</u></u>

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 30 June 2025, 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\$18,543,000 (31 December 2024: HK\$53,640,000). As at 30 June 2025, bank and other borrowings of HK\$1,931,271,000 (31 December 2024: HK\$1,598,033,000) were unsecured.
- (b) As at 30 June 2025, PDP financings of HK\$5,688,534,000 (31 December 2024: HK\$6,294,118,000) were unsecured and guaranteed by the Company or certain companies of the Group.
- (c) As at 30 June 2025, unsecured other bank borrowings amounted to HK\$13,227,541,000 (31 December 2024: HK\$11,021,832,000), of which HK\$7,521,584,000 (31 December 2024: HK\$5,690,561,000) were guaranteed by the Company or certain companies of the Group.

Other borrowings

- (d) As at 30 June 2025, 40 borrowings (31 December 2024: 43 borrowings) were provided to the Group by investors under trust plans or an asset-backed securities programme. The effective average interest rates of the borrowings range from 5.8% to 7.8% (31 December 2024: 5.8% to 7.8%) per annum for remaining terms of one to five years (31 December 2024: one to five years). These 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\$44,441,000 (31 December 2024: HK\$43,954,000).
- (e) As at 30 June 2025, two borrowings (31 December 2024: two borrowings) were obtained through a structured financing arrangement for two aircraft (31 December 2024: two aircraft) delivered to airlines. These borrowings bear an effective interest rate ranging from 3.9% to 4.3% (31 December 2024: 3.9% to 4.3%) per annum for their remaining terms of one year (31 December 2024: one year) and were guaranteed by the Company.

7 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 (equivalent to approximately HK\$1,615,241,000) from the investors. The remaining principal amount had been fully repaid on maturity.

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 (issued equivalent to approximately HK\$1,626,377,000 in total in 2024, net of transaction costs).

As at 30 June 2025, the total carrying amount of these notes was HK\$1,643,222,000 (31 December 2024: HK\$1,599,726,000).

8 BONDS AND DEBENTURES

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 February 2022, the Group issued three-year RMB1.2 billion private bonds due in 2025, bearing coupon rate of 4.4% per annum. These bonds had been fully repaid on maturity.

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 coupon rate of 3.58% per annum. These bonds were listed on the Shanghai Stock Exchange.

In February 2025, the Group issued five-year RMB1.5 billion corporate bonds due in 2030, bearing coupon rate of 2.38% per annum. These bonds were listed on the Shanghai Stock Exchange.

As at 30 June 2025, the total carrying amount of bonds and debentures was HK\$4,384,084,000 (31 December 2024: HK\$3,930,722,000).

9 LEASE INCOME AND SEGMENT INFORMATION

During the six months ended 30 June 2025, 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:

	Unaudited Six months ended 30 June			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Categorised by customer in terms of lease income:				
Airline company – A	455,439	24%	596,768	27%
Airline company – B	209,716	11%	296,774	13%
Airline company – C	118,094	6%	145,591	7%
Airline company – D	90,411	5%	90,720	4%
Airline company – E	84,871	4%	22,751	1%
Others	949,581	50%	1,069,857	48%
Total finance and operating lease income	<u>1,908,112</u>	<u>100%</u>	<u>2,222,461</u>	<u>100%</u>

10 NET INCOME FROM AIRCRAFT TRANSACTIONS AND AIRCRAFT COMPONENTS TRADING

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Aircraft transactions (a)	295,217	25,256
Aircraft components trading (b)	(538)	171
	<u>294,679</u>	<u>25,427</u>

(a) Aircraft transactions

The net gain from aircraft transactions for the six months ended 30 June 2025 included the net gain from disposals of 19 aircraft and two engines to third parties (six months ended 30 June 2024: five aircraft).

(b) Aircraft components trading

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Sales from aircraft components trading assets	69	246
Less: Cost of aircraft components trading assets	(607)	(75)
	<u>(538)</u>	<u>171</u>
(Loss)/profit from aircraft components trading assets	<u>(538)</u>	<u>171</u>

11 OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Government grants (a)	66,624	113,125
Interest income from loans to associates and joint ventures	46,012	54,986
Bank interest income	62,102	65,277
Asset management service fees income from CAG Group	4,282	9,244
Others	23,414	37,576
	<u>202,434</u>	<u>280,208</u>

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

12 OTHER (LOSSES)/GAINS, NET

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Realised losses on a currency swap	–	(13,932)
Currency exchange (losses)/gains	(176,251)	253,485
Fair value gains/(losses) on currency forward contracts	16,113	(78,167)
Change in fair value of interest rate swaps	(6,316)	–
Hedge ineffectiveness	576	240
Fair value gains on financial assets at fair value through profit or loss	661	375
Loss on disposal of a subsidiary	(5,164)	–
	<u>(170,381)</u>	<u>162,001</u>

13 INCOME TAX EXPENSES

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax:		
Mainland China, Hong Kong and others	185,978	116,434
Deferred income tax	(155,449)	(664)
	<u>30,529</u>	<u>115,770</u>

14 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 six months ended 30 June 2025 and 30 June 2024.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Profit attributable to shareholders of the Company (HK\$'000)	140,526	131,749
Weighted average number of ordinary shares in issue (number of shares in thousands)	744,649	744,355
Basic earnings per share (HK\$ per share)	<u>0.189</u>	<u>0.177</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. As at 30 June 2025 and as at 30 June 2024, 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 six months ended 30 June 2025 and 30 June 2024.

15 DIVIDENDS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared of HK\$0.12 (2024: HK\$0.12) per ordinary share	<u>89,757</u>	<u>89,358</u>

On 23 August 2024, the Board declared an interim dividend of HK\$0.12 per ordinary share totalling HK\$89.4 million which was paid by cash in October 2024.

A final dividend of HK\$0.18 per ordinary share totalling HK\$134.0 million (including cash dividend and scrip dividend) for the year ended 31 December 2024 was declared and was reflected as dividend payable as at 30 June 2025.

On 27 August 2025, the Board declared an interim dividend of HK\$0.12 per ordinary share totalling HK\$89.8 million, which is calculated based on 747,974,981 issued shares as at 27 August 2025. The declared dividend is not reflected as a dividend payable in the Interim Financial Information as at 30 June 2025, and will be reflected as an appropriation of retained earnings for the year ending 31 December 2025.

16 SUBSEQUENT EVENTS

On 15 August 2025, 3,326,439 shares of HK\$0.10 each were allotted and issued at HK\$3.769 each to shareholders who had elected to receive new shares credited as fully paid in lieu of cash dividend in respect of the 2024 final dividend under the scrip dividend scheme.

In August 2025, the Group issued three-year US\$160.0 million unsecured bonds due in 2028, bearing coupon interest at 6.0% per annum. These bonds were guaranteed by the Company and were listed on the Stock Exchange.

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:

	Six months ended 30 June	
	2025	2024
	HK\$'Million	HK\$'Million
Interest expenses	1,104.4	1,340.1
Less: Payments to trust plans	<u>(123.1)</u>	<u>(133.5)</u>
Adjusted interest expenses	<u>981.3</u>	<u>1,206.6</u>

The Group uses non-GAAP presentations in the interim consolidated statement of income as presented on page 43 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 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 six months ended 30 June 2024, which included adjusted borrowings and adjusted other liabilities and accruals. As the amounts due to trust plans or asset-backed securities programme has no material impact on the financial performance of the Group for the six months ended 30 June 2025, the Group no longer disclose the aforesaid non-GAAP measures.

INTERIM CONSOLIDATED STATEMENT OF INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Total revenue		
Lease income		
Finance lease income	333,282	300,224
Operating lease income	<u>1,574,830</u>	<u>1,922,237</u>
	<u>1,908,112</u>	<u>2,222,461</u>
Other operating income		
Net income from aircraft transactions and aircraft components trading	294,679	25,427
Other income	<u>202,434</u>	<u>280,208</u>
	<u>497,113</u>	<u>305,635</u>
	<u>2,405,225</u>	<u>2,528,096</u>
Expenses		
Interest expenses	(981,294)	(1,206,622)
Depreciation and impairment	(683,313)	(839,726)
Reversal of expected credit losses	7,805	28,331
Other operating expenses	<u>(267,377)</u>	<u>(236,601)</u>
	<u>(1,924,179)</u>	<u>(2,254,618)</u>
Operating profit	481,046	273,478
Share of results from associates and joint ventures	799	(564)
Other (losses)/gains, net	<u>(293,449)</u>	<u>28,505</u>
Profit before income tax	<u>188,396</u>	<u>301,419</u>

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK\$0.12 per share for the six months ended 30 June 2025 (2024 interim dividend: HK\$0.12 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 Monday, 15 September 2025. The 2025 interim dividend is not subject to approval by the Shareholders. The 2025 interim dividend will be paid in cash on or about Wednesday, 8 October 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders’ entitlement to the interim dividend, the Register of Members will be closed in accordance with the following timetable:

- | | | |
|-----|--|---|
| (a) | Latest time to lodge transfer documents for registration | 4:30 pm on Wednesday, 10 September 2025 |
| (b) | Closure of Register of Members | Thursday, 11 September 2025 to Monday, 15 September 2025
<i>(both dates inclusive)</i> |
| (c) | Record date | Monday, 15 September 2025 |

During the above closure periods, no transfer of shares will be registered. In order to be eligible to qualify for the interim 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 February 2022, the Group issued RMB1.2 billion non-public bonds with a term of 3 years at the coupon rate of 4.4%. The Group has repaid the RMB1.2 billion non-public bonds due in February 2025. Please refer to the section headed Bonds and Debentures in this announcement for details.

Save as disclosed above, during the six months ended 30 June 2025, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

EVENTS AFTER THE REVIEW PERIOD

On 31 July 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 eight leased-attached aircraft, which include, amongst others, six aircraft owned by the Group, and two aircraft managed by the Group. The sale transactions are expected to be completed by the end of October 2025. Please refer to the announcement of the Company dated 31 July 2025 for details.

Save as disclosed above, there were no material subsequent events since 30 June 2025, being the end of the Review Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to attaining and maintaining high standards of corporate governance and it applies corporate governance practices appropriate to the conduct and growth of business of the Group that emphasis 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 six months ended 30 June 2025.

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 six months ended 30 June 2025.

AUDIT COMMITTEE AND REVIEW OF THE FINANCIAL STATEMENTS

As at the date of this announcement, the Company's Audit Committee consisted of Mr. FAN Chun Wah, Andrew, *J.P.* (chairman of the Audit Committee), Mr. CHEOK Albert Saychuan and Dr. HONG Wen, all of whom are independent non-executive Directors. During the Review Period, the Audit Committee has reviewed 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 interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 with the management team and Deloitte Touche Tohmatsu, the external auditor of the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the websites of the Company (www.calc.aero) and the Stock Exchange (www.hkexnews.hk). The 2025 interim report of the Company will be despatched 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, 27 August 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, Mr. FAN Chun Wah, Andrew, J.P. and Dr. HONG Wen.