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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)**

**(I) CONTINUING CONNECTED TRANSACTIONS: RENEWAL OF THE EXISTING CE FRAMEWORK AGREEMENTS;**

**AND**

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS:  
(II) THE SECOND ARI SUPPLEMENTAL SHAREHOLDERS' LOAN AND GUARANTEE AGREEMENT;**

**AND**

**(III) THE NEW ANNUAL CAPS FOR THE ARI SHAREHOLDERS' LOAN AND GUARANTEE AGREEMENT (AS SUPPLEMENTED BY THE SECOND ARI SUPPLEMENTAL SHAREHOLDERS' LOAN AND GUARANTEE AGREEMENT)**

**BACKGROUND INFORMATION**

**The Second CE Supplemental Agreements**

Reference is made to the 2016 Existing CE Framework Agreements Circular in relation to the First CE Supplemental Agreements, pursuant to which, among others, the Company and CE Group extended the term of each of the Existing CE Framework Agreements to 31 December 2018. As the Existing CE Framework Agreements will expire on 31 December 2018, on 15 October 2018, the Company and CE Group entered into the Second CE Supplemental Agreements to extend the term of each of the Existing CE Framework Agreements to 31 December 2021.

**The Second ARI Supplemental Shareholders' Loan and Guarantee Agreement**

Reference is also made to the 2016 ARI Circular and the 2016 ARI Shareholders' Loan and Guarantee Agreement Circular in relation to, among others, the entering into of the ARI Shareholders' Loan and Guarantee Agreement. In view of the continued development of the ARI business, the ARI Shareholders entered into the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement to revise the terms governing the Guarantee Fee and interest rate for the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement. Also, as the Board expects the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) will continue, the Board proposes that the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) for each of the years ending 31 December 2019, 2020 and 2021 to be HK\$1,300 million respectively.

## **LISTING RULES IMPLICATIONS**

### **The Second CE Supplemental Agreements**

In relation to the Second CE Supplemental Agreements, as at the date of this announcement, CE Group is the sole shareholder of CE Hong Kong. CE Hong Kong is the indirect controlling shareholder of CE Limited which indirectly holds approximately 49.7% equity interest in CE Limited. CE Limited in turn indirectly holds approximately 33.9% equity interest in the Company. Accordingly, CE Group is a controlling shareholder of the Company, and CE Group and its associates are connected persons of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CE Bank is an associate of CE Group. The transactions contemplated under the Existing CE Framework Agreements (as supplemented by the Second CE Supplemental Agreements) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) exceeds 5%, the transactions contemplated under each of the Existing CE Framework Agreements (as supplemented by the Second CE Supplemental Agreements) constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **The Second ARI Supplemental Shareholders' Loan and Guarantee Agreement**

In relation to the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement and the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement), as at the date of this announcement, as ARI is a commonly held entity (has the meaning ascribed to it in Rule 14A.27 of the Listing Rules) of the Company, the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) constitute continuing connected transactions for the Company under Rule 14A.26 of the Listing Rules. Furthermore, pursuant to Rule 14.04(1)(e) of the Listing Rules, the provision of financial assistance to ARI constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) is less than 25% on an annual basis and the total value of the financial assistance is more than HK\$10,000,000, such New Annual Caps are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE EGM AND SHAREHOLDERS' APPROVAL**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve (a) the Second CE Supplemental Agreements and the transactions contemplated thereunder (including the New Annual Caps for the Second CE Supplemental Agreements); (b) the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement; and (c) the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement).

CE Group and its associates will abstain from voting on the resolutions to be proposed at the EGM in relation to the Second CE Supplemental Agreements. FPAM, CE Limited and their respective associates will abstain from voting at the EGM in relation to the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement and the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement).

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Second CE Supplemental Agreements and the transactions contemplated thereunder (including the New Annual Caps for the Second CE Supplemental Agreements), the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement and the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement). Red Sun Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **Circular**

A circular containing, among others, (i) further details of the Second CE Supplemental Agreement, the ARI Shareholders' Loan and Guarantee Agreement and the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement; (ii) the New Annual Caps for the Second CE Supplemental Agreements and the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement); (iii) a letter from the Independent Board Committee; and (iv) a letter setting out the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with the notice of the EGM, will be dispatched to the Shareholders on or before 6 November 2018.

## **I. BACKGROUND INFORMATION**

### **The Second CE Supplemental Agreements**

Reference is made to the 2016 Existing CE Framework Agreements Circular in relation to the First CE Supplemental Agreements, pursuant to which, among others, the Company and CE Group extended the term of each of the Existing CE Framework Agreements to 31 December 2018. The transactions contemplated under the Existing CE Framework Agreements including the Existing Annual Caps were approved by the Shareholders at the extraordinary general meeting of the Company held on 17 May 2016. As the Existing CE Framework Agreements will expire on 31 December 2018, on 15 October 2018, the Company and CE Group entered into the Second CE Supplemental Agreements to extend the term of each of the Existing CE Framework Agreements to 31 December 2021.

### **The Second ARI Supplemental Shareholders' Loan and Guarantee Agreement**

Reference is also made to the 2016 ARI Circular and the 2016 ARI Shareholders' Loan and Guarantee Agreement Circular in relation to, among others, the entering into of the ARI Shareholders' Loan and Guarantee Agreement. In view of the continued development of the ARI business, the ARI Shareholders entered into the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement to revise the terms governing the Guarantee Fee and interest rate for the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement. Also, as the Board expects the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) will continue, the Board proposes that the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) for each of the years ending 31 December 2019, 2020 and 2021 to be HK\$1,300 million respectively.

## **II. THE SECOND CE SUPPLEMENTAL AGREEMENTS**

### **The Second CE Supplemental Deposit Services Framework Agreement**

The Company and CE Group have entered into the Second CE Supplemental Deposit Services Framework Agreement to extend the term of the Existing CE Deposit Services Framework Agreement. The principal terms of the Second CE Supplemental Deposit Services Framework Agreement are summarized below:

#### **Date**

15 October 2018

#### **Parties**

- (i) the Company; and
- (ii) CE Group

#### **Subject matter**

Pursuant to the Second CE Supplemental Deposit Services Framework Agreement, the parties have agreed to extend the term of the Existing CE Deposit Services Framework Agreement to 31 December 2021, subject to the Independent Shareholders' approval. Save as amended by the Second CE Supplemental Deposit Services Framework Agreement, all other terms of the Existing CE Deposit Services Framework Agreement (as disclosed below) shall remain unchanged.

#### **Transactions contemplated thereunder**

Provision of deposit services by CE Group, through CE Bank, to the Group.

#### **Payment**

The time and means of payment is to be agreed by the parties with reference to customary business terms through arm's-length negotiations, being normal commercial terms comparable to those for similar or comparable deposit services.

#### **Other terms**

The Existing CE Deposit Services Framework Agreement (as supplemented by the Second CE Supplemental Deposit Services Framework Agreement) shall be non-exclusive and the Company is at liberty to obtain deposit services from other third parties.

CE Group shall procure CE Bank to provide to the Group deposit services (including current and fixed term deposit) in accordance with rules and regulations prescribed by the PBOC and/or other relevant rules and regulations within or outside the PRC.

The deposit services to be provided by CE Group shall be on normal commercial terms which are arrived upon arm's-length negotiations and are no less favourable than:

- (i) terms available to the Group from independent third parties; and
- (ii) the most favourable terms offered by CE Bank to independent third party customers for similar or comparable deposit services.

## Historical figures, the Existing Annual Caps and the New Annual Caps

The following table sets out the amount of historical transactions for deposit services provided by CE Bank to the Group, the Existing Annual Caps and the New Annual Caps:

	For the year/period ended			For the year ending			
	31 December 2016 Actual Amount <i>HK\$'000</i>	31 December 2017 Actual Amount <i>HK\$'000</i>	31 August 2018 Actual Amount <i>HK\$'000</i>	31 December 2018 Annual Cap <i>HK\$'000</i>	31 December 2019 Annual Cap <i>HK\$'000</i>	31 December 2020 Annual Cap <i>HK\$'000</i>	31 December 2021 Annual Cap <i>HK\$'000</i>
<b>Maximum daily closing balance of deposits (including interests accrued thereon)</b>	1,974,000	3,043,000	2,926,000	3,843,000	3,843,000	3,843,000	3,843,000

### Pricing basis

The interest rate for deposit services shall be based on normal commercial terms, agreed through arm's-length negotiations between the parties and is no less favourable than:

- (i) the terms available to the Group from independent third parties; and
- (ii) the most favorable terms (including but not limited to interest rate) offered by CE Bank to independent third party customers for similar or comparable deposit services.

### Basis for the New Annual Caps for the transactions contemplated under the Second CE Supplemental Deposit Services Framework Agreement

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders) consider that it is in the interests of the Company and the Shareholders as a whole to enter into the transactions under the terms and conditions set out in the Second CE Supplemental Deposit Services Framework Agreement. The Directors have determined the New Annual Caps for the deposit services with reference to a number of factors, including, among other things, (i) the historical figures of the maximum closing balance (including interest accrued thereon) of deposit in previous years, (ii) the expected interest income offered by CE Bank to the Group as compared with interest income that could otherwise be obtained by placing deposits with other commercial banks, and (iii) the business development plans and financial needs of the Group.

## **The Second CE Supplemental Loan Services Framework Agreement**

The Company and CE Group have entered into the Second CE Supplemental Loan Services Framework Agreement to extend the term of the Existing CE Loan Services Framework Agreement. The principal terms of the Second CE Supplemental Loan Services Framework Agreement are summarized below:

### **Date**

15 October 2018

### **Parties**

- (i) the Company; and
- (ii) CE Group

### **Subject matter**

Pursuant to the Second CE Supplemental Loan Services Framework Agreement, the parties have agreed to extend the term of the Existing CE Loan Services Framework Agreement to 31 December 2021, subject to the Independent Shareholders' approval. Save as amended by the Second CE Supplemental Loan Services Framework Agreement, all other terms of the Existing CE Loan Services Framework Agreement (as disclosed below) shall remain unchanged.

### **Transactions contemplated thereunder**

- (i) Provision of secured loan services and guarantees by CE Group, through CE Bank, to the Group; and
- (ii) Provision of secured loan services by CE Group, through the Trustee using funds of a Trust Plan of which CE Group or any of its associates is a beneficiary, to the Group.

### **Payment**

The time and means of payment is to be agreed by the parties with reference to customary business terms through arm's-length negotiations, being normal commercial terms comparable to those for similar or comparable loan services or guarantees.

### **Other terms**

The Existing CE Loan Services Framework Agreement (as supplemented by the Second CE Supplemental Loan Services Framework Agreement) shall be non-exclusive and the Company is at liberty to obtain loan services or guarantees from other third parties.

CE Group shall procure CE Bank and/or the Trustee, as the case may be, to provide to the Group loans and guarantees (including revolving credit facility and fixed term loan), subject to security over the assets of the Group, in accordance with rules and regulations prescribed by the PBOC and/or other relevant rules and regulations within or outside the PRC.

The loan services and guarantees to be provided by CE Group shall be on normal commercial terms which are arrived upon arm's-length negotiations and are no less favourable than:

- (i) terms available to the Group from independent third parties of comparable credit standing; and
- (ii) the most favourable terms offered by CE Bank and/or the Trustee, as the case may be, to independent third party customers for similar or comparable loan services or guarantees.

### Historical figures, the Existing Annual Caps and the New Annual Caps

The following table sets out the amount of historical transactions for loan services and guarantees, the Existing Annual Caps and the New Annual Caps:

	For the year/period ended			For the year ending			
	31 December 2016 Actual Amount HK\$'000	31 December 2017 Actual Amount HK\$'000	31 August 2018 Actual Amount HK\$'000	31 December 2018 Annual Cap HK\$'000	31 December 2019 Annual Cap HK\$'000	31 December 2020 Annual Cap HK\$'000	31 December 2021 Annual Cap HK\$'000
<b>Maximum daily closing balance of loans (including guarantee)</b>	3,164,000	4,052,000	4,594,000	18,214,000	18,214,000	18,214,000	18,214,000

### Pricing basis

The interest rate for loan services shall be based on normal commercial terms, agreed through arm's-length negotiations between the parties and is no less favourable than:

- (i) the terms available to the Group from independent third parties of comparable credit standing; and
- (ii) the most favorable terms (including but not limited to interest rate) offered by CE Bank and/or the Trustee, as the case may be, to independent third party customers for similar or comparable loan services.

### Basis for the New Annual Caps for the transactions contemplated under the Second CE Supplemental Loan Services Framework Agreement

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders) consider that it is in the interests of the Company and the Shareholders as a whole to enter into the transactions under the terms and conditions set out in the Second CE Supplemental Loan Services Framework Agreement. The Directors have determined the New Annual Caps for the loan services and guarantee with reference to a number of factors, including, among other things, (i) the historical figures of the maximum closing balance of loans (including the guarantees) in previous years, and (ii) the business development plans and financial needs of the Group.

## **The Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement**

The Company and CE Group have entered into the Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement to extend the term of the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement. The principal terms of the Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement are summarized below:

### **Date**

15 October 2018

### **Parties**

- (i) the Company; and
- (ii) CE Group

### **Subject matter**

Pursuant to the Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement, the parties have agreed to extend the term of the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement to 31 December 2021, subject to the Independent Shareholders' approval. Save as amended by the Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement, all other terms of the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement (as disclosed below) shall remain unchanged.

### **Transactions contemplated thereunder**

Assignment of the FLRs by the Group to associates of CE Group (including but not limited to CE Bank and the Trustee of a Trust Plan of which Sun Life Everbright is one of the beneficiaries).

### **Payment**

The time and means of payment is to be agreed by the parties with reference to customary business terms through arm's-length negotiations, being normal commercial terms comparable to those for similar or comparable assignment of FLRs.

### **Other terms**

The assignment of FLRs by the Group to CE Group shall be on normal commercial terms which is arrived upon arm's-length negotiations and is no less favourable than the terms offered by the Group to independent third party assignees for similar or comparable assignments.



## Historical figures, the Existing Annual Caps and New Annual Caps

The following table sets out the amount of historical transactions for the assignment of FLRs by the Group to CE Group, the Existing Annual Caps and the New Annual Caps:

	For the year/period ended			For the year ending			
	31 December 2016 Actual Amount HK\$'000	31 December 2017 Actual Amount HK\$'000	31 August 2018 Actual Amount HK\$'000	31 December 2018 Annual Cap HK\$'000	31 December 2019 Annual Cap HK\$'000	31 December 2020 Annual Cap HK\$'000	31 December 2021 Annual Cap HK\$'000
<b>Total consideration</b>	3,937,000	2,529,000	Nil	7,020,000	7,020,000	7,020,000	7,020,000

### Pricing basis

The consideration in respect of the assignment of FLRs shall be based on normal commercial terms, agreed through arm's-length negotiations between the parties and is no less favourable than the terms offered by the Group to independent third parties for similar or comparable assignments.

### Basis for the New Annual Caps contemplated under the Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders) consider that it is in the interests of the Company and the Shareholders as a whole to enter into the transactions under the terms and conditions set out in the Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement. The Directors have determined the New Annual Caps for the assignment of FLRs with reference to a number of factors, including, among other things, (i) the historical figures of the total consideration in respect of assignment of FLRs in previous years, which have taken into account the carrying value of the FLRs, and (ii) the business development plans of the Group.

### **III. THE SECOND ARI SUPPLEMENTAL SHAREHOLDERS' LOAN AND GUARANTEE AGREEMENT**

On 6 April 2016, the Group entered into the ARI Shareholders' Loan and Guarantee Agreement, pursuant to which, among others, the ARI Shareholders agreed to provide Shareholders' Loan to ARI on certain terms (as disclosed below). In view of the continued development of the ARI Business, the ARI Shareholders entered into the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement to revise the terms governing the Guarantee Fee and interest rate for the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Shareholders' Loan and Guarantee Agreement).

#### **Date**

15 October 2018

#### **Parties**

- (i) ARI;
- (ii) ARI Holdings;
- (iii) China Aero;
- (iv) Sky Cheer; and
- (v) Neo Modern.

#### **Subject matter**

Pursuant to the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement, the parties have agreed to revise (a) the interest rate of the Shareholders' Loan to 3% per annum above the Hong Kong dollar prime lending rate quoted by The Bank of China (Hong Kong) Limited from time to time; and (b) the Guarantee Fee equal to 3% per annum of the principal amount of the bank loan guaranteed by the Guarantor.

Save as amended by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement, all other terms and conditions of the ARI Shareholders' Loan and Guarantee Agreement shall remain unchanged.

#### **Transactions contemplated thereunder**

Below are further details of the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement):

##### **(i) Shareholders' Loan**

In the event ARI raises Shareholders' Loan from the ARI Shareholders, each ARI Shareholder shall have a right (but not the obligation) to advance Shareholders' Loan to ARI pro rata to its shareholding in ARI. If one or more ARI Shareholders decline to advance its respective pro rata portion of the Shareholders' Loan, then the unaccepted participation of such Shareholders' Loan shall automatically be deemed to be accepted by the ARI Shareholders who have indicated to ARI a desire to advance the whole or part of such unaccepted participation.

**(ii) Loan note**

Against receipt of the payment for an advance under a Shareholders' Loan, ARI shall issue a loan note to each of the relevant ARI Shareholders, which principal terms are as follows:

- (a) all loan notes as and when issued shall rank pari passu and ratably without discrimination or preference as between the holders of the loan notes except to the extent provided by the applicable laws;
- (b) the principal amount of a loan note, together with the accrued interest, shall be repayable on demand or on the occurrence of certain insolvency event including a court of competent jurisdiction makes an order or a resolution is passed for the dissolution or administration of ARI;
- (c) the principal amount set forth in a loan note shall be subject to interest at the rate of 3% per annum above the Hong Kong dollar prime lending rate quoted by The Bank of China (Hong Kong) Limited from time to time, which is accrued from day to day and be calculated on the basis of the actual number of days elapsed in a year of 365 days and payable in cash in arrears by ARI at six-month intervals from the date of issue of the loan note;
- (d) interest will be charged (both before and after judgment) on amounts due under a loan note but unpaid at a rate which is 3% per annum above the rate specified in subparagraph (c) above and shall be compounded (both before and after judgement) daily; and
- (e) the loan note is not transferable.

**(iii) Guarantee**

In the event ARI raises loans from banks, financial or other institutions and guarantee is required to be provided to the lender of the loans, each ARI Shareholder or any of its group of companies shall have a right (but not the obligation), subject to the acceptance and approval of the lender, to provide guarantee for the loans.

**(iv) Guarantee Fee**

If an ARI Shareholder or any member of its group of companies, whose consolidated net asset value is not less than HK\$500 million, has provided guarantee for the loan of ARI, ARI shall pay the Guarantor the Guarantee Fee equal to 3% per annum of the principal amount of the bank loans guaranteed by such Guarantor. The Guarantee Fee is accrued from day to day and is calculated on the basis of the actual number of days elapsed in a year of 365 days and payable in arrears by ARI at six-month intervals from the provision of the guarantee. If the Guarantor is not an ARI Shareholder, ARI shall enter into an agreement with such Guarantor setting out the payment of the Guarantee Fee by ARI to such Guarantor.

(v) **Payment of interest accrued on the loan notes, payment of the Guarantee Fee and repayment of the loan notes**

No payment of the interest accrued on the loan notes and payment of the Guarantee Fee shall be made by ARI unless (a) payment is made pro rata to each of the ARI Shareholders in proportion to the amount of their respective interest accrued on the loan notes and Guarantee Fee; and (b) payment shall be made to each such ARI Shareholder at the same time and in the same currency. Repayment of any loan note shall be made by ARI, and be made (a) pro rata to each of the ARI Shareholders in proportion to the principal amount of their respective loan notes; or (b) in such other proportion as such ARI Shareholders and ARI may agree in writing from time to time.

**IV. PROPOSAL OF NEW ANNUAL CAPS FOR THE ARI SHAREHOLDERS' LOAN AND GUARANTEE AGREEMENT**

As the Board expects the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement, details of which were mentioned above) will continue, the Board proposes that the New Annual Caps for each of the years ending 31 December 2019, 2020 and 2021 to be HK\$1,300 million, respectively.

**Historical figures, the Existing Annual Caps and the New Annual Caps**

The following table sets out the amount of historical transactions for the Shareholders' Loan advanced by any ARI Shareholder to ARI, the Existing Annual Caps and the New Annual Caps:

	For the year/period ended			For the year ending			
	31 December 2016 Actual Amount HK\$'000	31 December 2017 Actual Amount HK\$'000	31 August 2018 Actual Amount HK\$'000	31 December 2018 Annual Cap HK\$'000	31 December 2019 Annual Cap (Note) HK\$'000	31 December 2020 Annual Cap (Note) HK\$'000	31 December 2021 Annual Cap (Note) HK\$'000
<b>Maximum daily closing balance of loans (including interests accrued thereon)</b>	442,000	1,168,000	1,149,000	1,300,000	1,300,000	1,300,000	1,300,000

*Note: The New Annual Caps represent the maximum principal loans outstanding (including the principal loans guaranteed by the Group) together with interest and Guarantee Fee amount.*

## **Basis for the New Annual Caps for the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement)**

The New Annual Caps represent the maximum principal loans outstanding (including the principal loans guaranteed by the Group) together with interest and Guarantee Fee amount. The New Annual Caps were determined with reference to factors including (i) the ongoing business development and operational expenses as well as other financial needs of ARI; and (ii) potential expansion of the existing business of ARI through organic growth and/or acquisitions, and based on the assumptions that (a) part of financial needs of ARI for the three years ending 31 December 2021 will be financed by bank borrowings; and (b) the Company will provide full amount of the Shareholders' Loan and/or guarantee required by ARI if other ARI Shareholders and their respective group companies do not provide any amount out of their respective pro rata portion of such Shareholders' Loan and/or guarantee. In the event any ARI Shareholder and their respective group companies, other than the Company, provide the Shareholders' Loan and/or guarantee required by ARI, the New Annual Caps may not be fully utilised.

## **V. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

### **The Second CE Supplemental Agreements**

In respect of the Second CE Supplemental Agreements, as mentioned in the 2015 First CE Announcement, the Existing CE Deposit Services Framework Agreement and the loans (including guarantees) from CE Bank under the Existing CE Loan Services Framework Agreement have allowed the Group to enjoy cost-efficient and expedient financial services provided by CE Bank which has a thorough understanding of the needs of the Group. Also, the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement which provides for assignment of FLRs to CE Group, through CE Bank or the Trustee, and the borrowing from CE Group, through CE Bank or the Trustee, under the Existing CE Loan Services Framework Agreement, will improve the Group's profitability and enhance its financial resources by realising un-earned finance income and bring other financial benefits. As such, the Directors consider that it will be beneficial to continue to carry out the transactions contemplated under the Existing CE Framework Agreements which will expire on 31 December 2018; and therefore entered into the Second CE Supplemental Framework Agreements to extend the term of each of the Existing CE Framework Agreements to 31 December 2021.

### **The Second ARI Supplemental Shareholders' Loan and Guarantee Agreement**

In respect of the ARI Shareholders' Loan and Guarantee Agreement, as mentioned in the 2016 ARI Shareholders' Loan and Guarantee Agreement Circular, the transactions contemplated thereunder is an arrangement to facilitate ARI, which is still in its early stage of development, in meeting its funding requirements with flexibility while it sources external financing channels. The Directors consider that it will be beneficial to continue the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) in view of the continued development of the ARI business.

## **General**

The terms of the Second CE Supplemental Agreements, the ARI Shareholders' Loan and Guarantee Agreement and the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement have been agreed upon arm's-length negotiations between the Company and CE Group.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders) are of the view that (i) the continuing connected transactions contemplated under the Second CE Supplemental Agreements and the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) will be carried out in the ordinary and usual course of business of the Company; (ii) the terms of the Second CE Supplemental Agreements, the ARI Shareholders' Loan and Guarantee Agreement and the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement are normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and (iii) the New Annual Caps for the transactions contemplated under the Second ARI Supplemental Agreements and the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **VI. LISTING RULES IMPLICATIONS**

### **The Second CE Supplemental Agreements**

In relation to the Second CE Supplemental Agreements, as at the date of this announcement, CE Group is the sole shareholder of CE Hong Kong. CE Hong Kong is the indirect controlling shareholder of CE Limited which indirectly holds approximately 49.7% equity interest in CE Limited. CE Limited in turn indirectly holds approximately 33.9% equity interest in the Company. Accordingly, CE Group is a controlling shareholder of the Company, and CE Group and its associates are connected persons of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CE Bank is an associate of CE Group. The transactions contemplated under the Existing CE Framework Agreements (as supplemented by the Second CE Supplemental Agreements) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) exceeds 5%, the transactions contemplated under each of the Existing CE Framework Agreements (as supplemented by the Second CE Supplemental Agreements) constitute non-exempt continuing connected transactions for the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **The Second ARI Supplemental Shareholders' Loan and Guarantee Agreement**

In relation to the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement and New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement), as at the date of this announcement, as ARI is a commonly held entity (has the meaning ascribed to it in Rule 14A.27 of the Listing Rules) of the Company, the transactions contemplated under the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) constitute continuing connected transactions for the Company under Rule 14A.26 of the Listing Rules. Furthermore, pursuant to Rule 14.04(1)(e) of the Listing Rules, the provision of financial assistance to ARI constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement) is less than 25% on an annual basis and the total value of the financial assistance is more than HK\$10,000,000, such New Annual Caps are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **General**

Three directors of ARI, namely, Mr. Chen Shuang (who is also an executive director and the chief executive officer of CE Limited as well as an executive Director and the Chairman of the Company), Mr. Tang Chi Chun (who is also an executive director of CE Limited and the non-executive Director of the Company) and Mr. Poon Ho Man (who is also the sole director and the ultimate beneficial owner of China Aero as well as an executive Director and the Chief Executive Officer of the Company) have abstained from voting on the relevant resolutions of the Board.

## **VII. THE EGM AND SHAREHOLDERS' APPROVAL**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve (a) the Second CE Supplemental Agreements and the transactions contemplated thereunder (including the New Annual Caps for the Second CE Supplemental Agreements); (b) the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement; and (c) the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement).

CE Group and its associates will abstain from voting on the resolutions to be proposed at the EGM in relation to the Second CE Supplemental Agreements. FPAM, CE Limited and their respective associates will abstain from voting at the EGM in relation to the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement and the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement).

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Second CE Supplemental Agreements and the transactions contemplated thereunder (including the New Annual Caps for the Second CE Supplemental Agreements), the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement and the New Annual Caps for the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement). Red Sun Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

## **Circular**

A circular containing, among others, (i) further details of the Second CE Supplemental Agreements, the ARI Shareholders' Loan and Guarantee Agreement and the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement; (ii) the New Annual Caps for the Second CE Supplemental Agreements and the ARI Shareholders' Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders' Loan and Guarantee Agreement); (iii) a letter from the Independent Board Committee; and (iv) a letter setting out the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with the notice of the EGM, will be dispatched to the Shareholders on or before 6 November 2018.

## **VIII. GENERAL INFORMATION OF THE PARTIES**

### **The Company**

The Company is principally engaged in the global aircraft leasing business with a fleet of 106 owned and 14 managed aircraft respectively as at the date of this announcement.

### **CE Group and its associates**

CE Group was incorporated as a joint stock company with limited liability in the PRC and is a conglomerate which, through its subsidiaries and associates, engages in a diverse range of businesses including banking, securities and asset management.

CE Bank was incorporated as a joint stock company with limited liability in the PRC and is one of the major commercial banks in the PRC. CE Bank primarily engages in the commercial banking business, including retail banking, corporate banking and treasury operation, etc.

Sun Life Everbright is a company incorporated in the PRC on 2 March 2012. Sun Life Everbright is principally engaged in the business of fund management trustee services and insurance asset management services.

### **ARI and ARI Shareholders**

ARI was incorporated in the Cayman Islands on 22 August 2014 and is held by the Company (through ARI Holdings), Sky Cheer, China Aero and Neo Modern as to 48%, 20%, 18% and 14%, respectively, as at the date of this announcement. ARI is principally engaged in the ARI Business.

ARI Holdings is an investment holding company incorporated in the British Virgin Islands on 24 February 2016 and a wholly-owned subsidiary of the Company.

Sky Cheer is an investment holding company incorporated in Hong Kong on 4 July 2008 and is owned by Li Yuze William and Li Weiwei Tony. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Sky Cheer and its ultimate shareholders are third parties independent of the Company and its connected persons.



China Aero is an investment holding company incorporated in the Cayman Islands on 30 January 2012 and is wholly and beneficially owned by FPAM. As at the date of this announcement, FPAM together with its associates are interested in 197,554,589 Shares, representing approximately 29.2% of the issued share capital of the Company, and hence a substantial shareholder of the Company. Accordingly, China Aero is a connected person of the Company.

Neo Modern is an investment holding company incorporated in the British Virgin Islands on 22 January 2016 and a wholly-owned subsidiary of CE Limited. CE Limited is a member of CE Group. As at the date of this announcement, CE Limited is interested in 229,886,979 Shares, representing approximately 33.9% of the issued share capital of the Company, and hence a substantial shareholder of the Company. Accordingly, Neo Modern is a connected person of the Company.

**IX. DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2015 First CE Announcement”	the announcement of the Company dated 14 May 2015 in relation to the continuing connected transactions between the Group and CE Group
“2015 Second CE Announcement”	the announcement of the Company dated 14 December 2015 in relation to the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement
“2016 ARI Circular”	the circular of the Company dated 10 June 2016 in relation to , among others, the entering into of the ARI Shareholders’ Loan and Guarantee Agreement and the continuing connected transactions contemplated thereunder
“2016 ARI Shareholders’ Loan and Guarantee Agreement Circular”	the circular of the Company dated 30 November 2016 in relation to, among others, the entering into of the First ARI Supplemental Shareholders’ Loan and Guarantee Agreement and the continuing connected transactions contemplated under the ARI Shareholders’ Loan and Guarantee Agreement (as supplemented by the First ARI Supplemental Shareholders’ Loan and Guarantee Agreement)
“2016 Existing CE Framework Agreements Circular”	the circular of the Company dated 29 April 2016 in relation to the continuing connected transactions contemplated under the Existing CE Framework Agreements
“Aircraft Lessees”	airline operators which are lessees of aircraft under the relevant aircraft lease agreements entered into with members of the Group for the lease of aircraft legally owned by the Group

“Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement”	the agreement entered into between the Company and CE Group on 14 December 2015, which amended and restated the Original CE Assignment of Finance Lease Receivables Framework, and amended and supplemented by the First CE Supplemental Assignment of Finance Lease Receivables Framework Agreement. Please refer to the 2015 Second CE Announcement for details
“ARI”	Aircraft Recycling International Limited, a company incorporated in the Cayman Islands on 22 August 2014 and a commonly held entity (has the meaning ascribed to it in Rule 14A.27 of the Listing Rules) of the Company as at the date of this announcement
“ARI Business”	<p>the business model of ARI broadly includes the following:</p> <ul style="list-style-type: none"> <li>(i) purchasing, including direct purchase of aircraft, or purchase through portfolio trade with lease attached and purchase and leaseback arrangement;</li> <li>(ii) selling, including direct sale, sale after re-certified and conditional sales lease;</li> <li>(iii) leasing, including leasing of aircraft, engine and components;</li> <li>(iv) disassembling, including disassembly and parting-out of aircraft and parts and components from the airframe;</li> <li>(v) replacing, including replacing old components with new ones through the provision, exchange and sharing of serviceable components;</li> <li>(vi) conversion, including conversion of passenger aircraft into a freighter and modification of aircraft components for other uses; and</li> <li>(vii) maintenance, repair and overhaul (MRO), including base maintenance, line maintenance, engine, auxiliary power unit and landing gear repair and management solutions and parts remanufacturing</li> </ul>
“ARI Holdings”	Aircraft Recycling International Holdings Limited, a company incorporated in the British Virgin Islands on 24 February 2016 and a wholly-owned subsidiary of the Company
“ARI Shareholders”	ARI Holdings, China Aero, Sky Cheer and Neo Modern

“ARI Shareholders’ Loan and Guarantee Agreement”	the shareholders’ loan and guarantee agreement entered into between ARI and the ARI Shareholders on 6 April 2016, as supplemented and amended by the First ARI Supplemental Shareholders’ Loan and Guarantee Agreement, pursuant to which, among others, the ARI Shareholders will provide Shareholders’ Loan and guarantee to ARI. Please refer to the 2016 ARI Shareholders’ Loan and Guarantee Agreement Circular for details
“associate”	has the meaning ascribed thereto under Chapter 14A of the Listing Rules
“Board”	the board of Directors
“CE Bank”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a joint stock limited company incorporated in the PRC, and the H shares and the A shares of which are listed on the Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: SH601818) respectively, and is an associate of CE Group
“CE Group”	China Everbright Group Ltd.* (中國光大集團股份有限公司), a joint stock limited company incorporated in the PRC
“CE Hong Kong”	China Everbright Holdings Company Limited (中國光大集團有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of CE Group
“CE Limited”	China Everbright Limited (中國光大控股有限公司), a company incorporated under the laws of Hong Kong with limited liability, whose shares are listed on the Stock Exchange (stock code: 0165) and is indirectly owned as to approximately 49.7% by CE Hong Kong as at the date of this announcement
“China Aero”	China Aero Investments Limited, a company incorporated in the Cayman Islands on 30 January 2012 and is wholly and beneficially owned by FPAM
“Company”	China Aircraft Leasing Group Holdings Limited (中國飛機租賃集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under Chapter 14A of the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be held for considering, among other things, and if thought fit, approving the Second CE Supplemental Agreements and the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement, and the New Annual Caps for the transactions contemplated under the Second CE Supplemental Agreements and the ARI Shareholders’ Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement)
“Existing Annual Caps”	the existing annual caps for the transactions contemplated under the Existing CE Framework Agreements and the ARI Shareholders’ Loan and Guarantee Agreement
“Existing CE Deposit Services Framework Agreement”	the agreement entered into between the Company and CE Group on 14 May 2015, as supplemented and amended by the First CE Supplemental Deposit Services Framework Agreement, pursuant to which CE Group has agreed to provide, through CE Bank, deposit services to the Group in accordance with the terms thereunder. Please refer to the 2016 Existing CE Framework Agreements Circular for details
“Existing CE Framework Agreements”	the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement, the Existing CE Deposit Services Framework Agreement and the Existing CE Loan Services Framework Agreement
“Existing CE Loan Services Framework Agreement”	the agreement entered into between the Company and CE Group on 14 May 2015, as supplemented and amended by the First CE Supplemental Loan Services Framework Agreement, pursuant to which CE Group has agreed to provide, through CE Bank and/or the Trustee (as the case may be), loan services to the Group in accordance with the terms thereunder. Please refer to the 2016 Existing CE Framework Agreements Circular for details
“First ARI Supplemental Shareholders’ Loan and Guarantee Agreement”	the supplemental agreement to the shareholders’ loan and guarantee agreement entered into between ARI and the ARI Shareholders on 14 November 2016
“First CE Supplemental Agreements”	the First CE Supplemental Assignment of Finance Lease Receivables Framework Agreement, the First CE Supplemental Deposit Services Framework Agreement and the First CE Supplemental Loan Services Framework Agreement

“First CE Supplemental Assignment of Finance Lease Receivables Framework Agreement”	the agreement entered into between the Company and CE Group on 8 April 2016 to amend certain terms of the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement
“First CE Supplemental Deposit Services Framework Agreement”	the agreement entered into between the Company and CE Group on 8 April 2016 to amend certain terms of the Existing CE Deposit Services Framework Agreement
“First CE Supplemental Loan Services Framework Agreement”	the agreement entered into between the Company and CE Group on 8 April 2016 to amend certain terms of the Existing CE Loan Services Framework Agreement
“FLRs”	finance lease receivables under the relevant aircraft lease agreements entered into by members of the Group and Aircraft Lessees for the lease of aircraft legally owned by the Group
“FPAM”	Friedmann Pacific Asset Management Limited, a company incorporated in the British Virgin Islands and one of the substantial shareholders of the Company
“Guarantee Fee”	the guarantee fee payable by ARI to the Guarantor pursuant to the ARI Shareholders’ Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement)
“Guarantor”	an ARI shareholder or any member of its group of companies which has provided guarantee for the loan of ARI pursuant to the ARI Shareholders’ Loan and Guarantee Agreement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all of the independent non-executive Directors

“Independent Shareholders”	<p>(a) with respect to the Second CE Supplemental Agreements, Shareholders other than (i) CE Group and its associates; and (ii) any other Shareholders who are required by the Listing Rules to abstain from voting in respect of the resolution(s) relating to the Second CE Supplemental Agreements at the EGM; and</p> <p>(b) with respect to the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement and the New Annual Caps for the ARI Shareholders’ Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement), Shareholders other than (i) FPAM together with its associates; and (ii) CE Limited together with its associates; and (iii) any other Shareholders who are required by the Listing Rules to abstain from voting in respect of the resolution(s) relating to the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement and the New Annual Caps for the ARI Shareholders’ Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement) at the EGM</p>
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Neo Modern”	Neo Modern Limited, a company incorporated in the British Virgin Islands on 22 January 2016 and is a wholly-owned subsidiary of CE Limited
“New Annual Caps”	the proposed new annual caps for the years ending 31 December 2019, 2020 and 2021 for the transactions contemplated under the Second CE Supplemental Agreements and the ARI Shareholders’ Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement)
“Original CE Assignment of Finance Lease Receivables Framework Agreement”	the agreement entered into between the Company and CE Group on 14 May 2015, pursuant to which the Group will assign to the Trustee the FLRs due from Aircraft Lessees related to aircraft leased by the Group to Aircraft Lessees in accordance with the terms thereunder for the years of 2015, 2016 and 2017. Please refer to the 2016 Existing CE Framework Agreements Circular for details
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)

“Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement”	the agreement entered into between ARI and the ARI Shareholders on 15 October 2018 to amend certain terms of the ARI Shareholders’ Loan and Guarantee Agreement
“Second CE Supplemental Agreements”	the Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement, the Second CE Supplemental Deposit Services Framework Agreement and the Second CE Supplemental Loan Services Framework Agreement
“Second CE Supplemental Assignment of Finance Lease Receivables Framework Agreement”	the agreement entered into between the Company and CE Group on 15 October 2018 to amend certain terms of the Amended and Restated CE Assignment of Finance Lease Receivables Framework Agreement
“Second CE Supplemental Deposit Services Framework Agreement”	the agreement entered into between the Company and CE Group on 15 October 2018 to amend certain terms of the Existing CE Deposit Services Framework Agreement
“Second CE Supplemental Loan Services Framework Agreement”	the agreement entered into between the Company and CE Group on 15 October 2018 to amend certain terms of the Existing CE Loan Services Framework Agreement
“Shareholder(s)”	the holder(s) of the Shares
“Shareholders’ Loan”	shareholders’ loan advanced by any of the ARI Shareholders to ARI pursuant to the ARI Shareholders’ Loan and Guarantee Agreement (as supplemented by the Second ARI Supplemental Shareholders’ Loan and Guarantee Agreement)
“Shares”	share(s) with par value of HK\$0.10 each in the share capital of the Company
“Sky Cheer”	Sky Cheer International Limited, a company incorporated under the laws of Hong Kong with limited liability on 4 July 2008 and is owned by Li Yuze William and Liu Liyi
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed thereto under Chapter 1 of the Listing Rules
“Sun Life Everbright”	Sun Life Everbright Asset Management Co. Ltd.* (光大永明資產管理股份有限公司), a company incorporated under the laws of the PRC with limited liability
“Trustee”	the trustee of the relevant Trust Plans

“Trust Plans” pooled investment funds trust plans of which the Trustee is a trustee and CE Group or any of its associates is a beneficiary of the trust plans

“%” per cent

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

Hong Kong, 15 October 2018

*As at the date of this announcement, (i) the Executive Directors are Mr. CHEN Shuang, JP, Mr. POON Ho Man and Ms. LIU Wanting; (ii) the Non-executive Director is Mr. TANG Chi Chun; and (iii) the Independent Non-executive Directors are Mr. FAN Yan Hok, Philip, Mr. NIEN Van Jin, Robert, Mr. CHEOK Albert Saychuan and Mr. CHOW Kwong Fai, Edward, JP*

*\* for identification purpose only*