

## **CEL's CALC Officially Rolls out Aircraft Investment Vehicle – CAG** **An Important Step in Realizing its Asset-light Business Model**

27 June 2018 - **China Everbright Limited's** (CEL, stock code: 165.HK ) **CALC** (the “Group”, stock code: 1848.HK), is pleased to announce that the Group has completed the establishment of an international investment vehicle for aircraft leasing – CAG (“CAG” or the “Vehicle”), to invest in aircraft portfolio on lease to global airlines. This is an important strategic move for the Group amid its transition towards an asset-light business model for supporting its continuing global expansion, whilst further enhancing the professional development of its aircraft asset management capabilities.

CAG is expected to grow to around US\$1,150-1,400 million (equivalent to approximately HK\$8,970-10,920 million) of aircraft assets within two years. CALC joins hands with three mezzanine financiers (Chinese large-scale state-owned enterprises engaged in outbound investment, insurance business, and aviation sector) to provide mezzanine financing by way of shareholder loans. Three mezzanine investors also signed long-term cooperation agreement with CAG, whose financing is further complemented by senior syndicated financing from a number of well-known international and Chinese banks.

Leveraging on the Group's efficient capability for aircraft asset management on a global basis, and close partnerships with its aviation partners built over the last decade, CALC will provide aircraft and lease management service to CAG. CAG also serves as an important financing channel to fuel CALC's further business expansion by catering for the strong appetite from institutional investors for the placement of quality aircraft leasing assets with stable and long-term cash flow.

**Mike Poon, Chief Executive Officer of CALC**, said, “The successful launch of CAG represents an important step forward in CALC's transition into an asset-light business model, which increases our aircraft asset under management, and hence further strengthens the Group's position as an aircraft full value-chain solutions provider for the global aviation industry. CAG is also a replicable financing channel that supports vast capacity in the future through efficient turnover on our capital. With the participation by our partners from different backgrounds, we strive to facilitate the development of the national blockbuster initiative Aviation Silk Road.”

**Winnie Liu, Deputy CEO and Chief Commercial Officer of CALC**, said, “We would like to extend our gratitude to the mezzanine investors for their trust in CALC's asset management capability, our aircraft full life-cycle business model, international professional expertise and long-term growth potential. We are also glad that CAG won tremendous support from numerous renowned international and Chinese banks in senior syndicated financing.”

CALC announced its plan to establish an aircraft investment vehicle in December 2017 to support its continuing rapid development.

### **About CALC**

China Aircraft Leasing Group Holdings Limited ("CALC"), a one-stop aircraft full life-cycle solutions provider for global airlines, is listed on the Main Board of the Stock Exchange of Hong Kong Limited ("SEHK") (Stock code: 01848.HK). The businesses and subsidiaries of the Group are involved in two main business areas comprising new aircraft leasing and used aircraft recycling and disassembling. CALC's scope of business includes regular operations such as aircraft operating leasing, purchase and leaseback, and structured financing, as well as value-added services such as fleet planning, fleet replacement package deals, aircraft disassembling and component sales. CALC was listed by renowned aviation consulting firm ICF International as one of the top 10 global aircraft lessors, based on the combined asset value of its fleet and order book.

Listed in Hong Kong as the first aircraft leasing company in Asia in July 2014, CALC is currently a constituent stock of the Hang Seng Global Composite Index, the Hang Seng Composite Index, MSCI China Small Cap index, and an eligible stock under southbound trading of Shenzhen-Hong Kong Stock Connect.