



(Stock code: 01848.HK)

## **China Everbright Limited's CALC Announces Another Set of Solid Annual Results in 2018 with Continuous Transformation Towards an Asset-Light Model**

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**Total Revenue and Other Income Surges 15.6% to HK\$3,341.5 million**  
**Profit for the Year Up 10.1% to HK\$808.9 million**  
**Full-year Dividend of HK\$0.66 per Share, Dividend Payout Ratio at 55.3%**

Hong Kong – 21 March 2019, China Everbright Limited's ( Stock code: 165.HK) **CALC** (Stock code: 01848.HK), a full value chain aircraft solutions provider for global airlines, is pleased to announce the its results for the year ended 31 December 2018.

### **Financial Highlights**

- Total revenue and other income increased by 15.6% to HK\$3,341.5 million, attributable to increased lease income from continued expansion of CALC's aircraft leasing business.
- Profit for the year grew 10.1% to HK\$808.9 million, while basic earnings per share was HK\$1.194, up 9.7% yoy.
- The gearing ratio dropped by 0.4 percentage points to 81.9%.
- The Board recommended a final dividend of HK\$0.44 per share. Full year dividend will increment by 10.0% to HK\$0.66 per share, representing a dividend payout ratio of 55.3% (2017: 55.1%).

### **Business Review**

#### **Implementing fleet optimisation**

- CALC's fleet size had increased to 133 aircraft as at 31 December 2018, of which 115 are owned by CALC and 18 are managed for CAG, an international aircraft leasing and investment platform launched in June 2018.
- CALC continued to maintain one of the youngest and most modern fleets in the industry, with an average age of 3.7 years and an average remaining lease of 8.3 years.
- Of the current fleet of 133 aircraft, the share of CALC's non-mainland Chinese clients as at 31 December 2018 had grown to 31% from approximately 28% at the end of 2017, while its client portfolio included 33 airlines widely spread across 15 countries and regions.
- CALC added a total of 65 aircraft to its order book during the year. As at 31 December 2018, CALC had a total backlog for new deliveries of 232 aircraft, all due for delivery by 2023.

#### **Asset-light business model in full play**

- In 2018, CALC progressively transited towards an asset-light model to enhance its role as an asset manager for aircraft trading and lease management, which laid a solid foundation for further business expansion and opened up new growth opportunities.
- In June 2018, CALC rolled out CAG in collaboration with four leading state-owned enterprises as mezzanine investors. The asset size of the vehicle is expected to grow to US\$1.265 billion, comprising US\$95 million from CALC and US\$380 million from mezzanine investors, CAG's funding has been further supplemented by a senior syndicated loan of US\$790 million arranged by four

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global top-tier aviation banks and three reputable PRC commercial banks. As at 31 December 2018, 18 aircraft had been injected into CAG, with seven to 10 more aircraft expected to be injected.

- In recognition of the deal's innovative nature, CALC won "Editor's Deal of the Year for Innovation" awarded by *Airline Economics* in 2018.

### Diversified financing patterns in both onshore and offshore

- As at 31 December 2018, 41% of CALC's total outstanding borrowings were unsecured, up from 35% at the end of 2017, which is indicative of the confidence investors and the banking community have in CALC.
- In December 2018, CALC signed a US\$500 million five-year unsecured syndicated revolving loan facility for aircraft Pre-Delivery Payment ("PDP") with six leading banks in the region as mandated lead managers. The facility is subject to upsize in case of oversubscription following the complete syndication.
- Moreover, CALC's 48%-owned associate company, Aircraft Recycling International Limited ("ARI") has beefed up its independent financing strength to fuel its next phase of development. During the year, it raised approximately US\$100 million bank financings through diversified patterns on its own.

### Completing full aviation value chain

- In June 2018, Phase I of ARI's aircraft recycling base in Harbin (the "Harbin base") formally commenced operations. The Harbin base will create a synergy with ARI's aircraft recycling base in Tupelo, Mississippi to tap market opportunities all over the world.
- CALC and ARI also joined forces during the year with FL Technics, one of the leading aircraft maintenance, repair and overhaul ("MRO") service providers in Europe, to form an MRO joint venture.
- CALC continued to leverage ARI's flexible aircraft asset management capabilities and rich international second-hand aircraft market resources to maximise its overall strength as a full value chain aircraft solutions provider.

**Mr. CHEN Shuang, JP, Chairman of CALC**, said, "We are delighted with CALC's robust results in 2018. Though the aircraft leasing industry is expected to tackle headwinds in the coming year, we see positive signs for optimism in early 2019 and expect the emerging markets will continue to support industry demand. Furthermore, Hong Kong, being positioned as an international aviation hub under the 'Outline Development Plan for the Greater Bay Area' recently promulgated by the Central Government, will further develop aircraft leasing and aviation finance business, creating a conducive environment for the industry to thrive in the city. I am confident that CALC, with its steadfast commitment to providing full value chain aircraft solutions that meet the needs of its global clients, is set to solidify its leading position in the competitive global aviation industry."

**Mr. Mike POON, Chief Executive Officer of CALC**, added, "CALC will continue to press ahead with its vision to provide value-added aircraft solutions that cover every part of the aircraft life cycle. It will also continue its vertical and horizontal integration for effective asset management. CALC is exploring more new investment opportunities with investors and institutions searching for quality aviation assets by devising innovative financing models and various investment platforms that will serve to strengthen CALC's aviation ecosystem on a global scale."

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### **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 upgrade, aircraft disassembling and component sales. With its strong order book, CALC was listed as one of the top five global lessors in 2018 by *Airfinance Journal*, one of the most prestigious publications in global aviation industry.

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.

