

## Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below that are raised in the Consultation Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/November-2017-Exemption-for-Aircraft-Leasing-Activities/Consultation-Paper/cp2017113.pdf>

Where there is insufficient space provided for your comments, please attach additional pages.

1. Do you agree with the proposal to provide a general exemption for aircraft leasing activities?

Yes

No

If your answer is "No", please give reasons for your views.

2. Do you agree with the proposed Rule amendments to define a Qualified Aircraft Lessor to be an issuer that is actively engaged in aircraft leasing with aircraft operators as a principal activity in its ordinary and usual course of business?

Yes

No

If your answer is "No", please give reasons for your views.

3. Do you agree with the proposed criteria for determining a Qualified Aircraft Lessor set out in paragraphs 27(a) and (b) of the Consultation Paper?

Yes

No

If your answer is "No", please give reasons for your views.

4. (a) Do you agree with the proposed requirement that a Qualified Aircraft Lessor's directors and senior management, taken together, shall have sufficient experience relevant to the aircraft leasing industry?

Yes

No

If your answer is "No", please give reasons for your views.

(b) Do you agree that the individuals relied on must have a minimum of five years' relevant industry experience?

Yes

No

If your answer is "No", what is the appropriate period?

We think the appropriate period is minimum three years' experience.

5. Do you recommend other criteria or factors for determining an issuer as a Qualified Aircraft Lessor?

It is worth considering if it is also subject to a minimum threshold related to the volume of business.

6. Do you agree with the proposed Rule amendments to define Qualified Aircraft Leasing Activities to include acquisitions, disposals and finance leases of aircraft?

Yes

No

If your answer is "No", please give reasons for your views.

For Questions 6-8 we think Aircraft Leasing Activities should simply also include operating leases as it is the most common form of aircraft lease in the market.

7. Do you agree that we should limit the exemption for finance leases of aircraft to only those entered into by the aircraft lessors with aircraft operators?

Yes

No

If your answer is "No", please give reasons for your views.

For Questions 6-8 we think Aircraft Leasing Activities should simply also include operating leases as it is the most common form of aircraft lease in the market.

8. Do you agree that the proposed exemption should not apply to operating leases (see paragraph 32 of the Consultation Paper)?

Yes

No

If your answer is "No", please give reasons for your views.

For Questions 6-8 we think Aircraft Leasing Activities should simply also include operating leases as it is the most common form of aircraft lease in the market.

9. Do you agree with the proposed disclosure requirements for announcement of exempted aircraft leasing activities?

Yes

No

If your answer is "No", please give reasons for your views.

10. Do you agree with the proposed disclosure requirements for annual and interim reports to provide information about aircraft leasing activities on an aggregated basis?

Yes

No

If your answer is "No", please give reasons for your views.

We consider that 37(a) and 37(b) would be too sensitive under certain circumstances. In the current environment it is not unusual that a lessor only manages to make one acquisition in a 6 months interim reporting period, and if that acquisition is a sale & leaseback from a particular airline (mostly single aircraft type), or if that is a purchase from an OEM, the report of aggregate number of aircraft purchased and aggregate purchase price would release some very confidential information.

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