

Hong Kong Ecafin 1 Designated Activity Company

Annual report and audited financial statements

For the financial year ended 31 March 2025

Registered number 557136

Hong Kong Ecafin 1 Designated Activity Company

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Hong Kong Ecafin 1 Designated Activity Company**Page 1****Directors and other information**

Directors	Sharon McDaid (appointed as Director on 31 July 2025) Fergus Tighe Helen Broderick (resigned as Director on 31 July 2025)	
Registered Office	Block A George's Quay Plaza George's Quay Dublin 2 Ireland	
Administrator & Company Secretary	Vistra Alternative Investments (Ireland) Limited Block A George's Quay Plaza George's Quay Dublin 2 Ireland	
Independent Auditor	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte and Touche House 29 Earlsfort Terrace Dublin 2 D02 AY28 Ireland	
Security Trustee	Wilmington Trust SP Services (Dublin) Limited 4th Floor 3 George's Dock IFSC Dublin 1 Ireland	
Solicitor	Mason Hayes and Curran South Bank House Barrow Street Dublin 4 Ireland	
Banker	Citibank Europe Plc 1 North Wall Quay Dublin 1 Ireland	Allied Irish Banks Plc Backcentre, Ballsbridge Dublin 4 Ireland
Guarantor	China Aircraft Leasing Group Holdings Limited 32/F, Far East Finance Centre 16 Harcourt Road Admiralty Hong Kong	
Arranger	ING Capital, LLC 1325 Avenue of Americas New York 10019 United States of America	

Directors' report

The Board of Directors (the "Directors") present their annual report and audited financial statements of Hong Kong Ecafin 1 Designated Activity Company (the "Company"), for the financial year ended 31 March 2025. The comparatives are for the financial year ended 31 March 2024. These financial statements have been prepared under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Principal activities and Business review

The Company was incorporated and registered in Ireland on 9 February 2015 under registration number 557136. The principal activity of the Company is to carry on the business of purchasing, financing and leasing of aircraft.

The Company entered into a transaction arranged by ING Capital, LLC pursuant to which it acquired a number of aircraft over a period of time. The Company partly funded the acquisition of these aircrafts entering into loan agreements with a syndicate of lenders arranged by ING Capital, LLC. The Company financed the remainder of the purchase price through funding received from initial rent from China Aircraft Leasing Group Holdings Limited 10 ("CALC 10"), China Aircraft Leasing Group Holdings Limited 11 ("CALC 11") and China Aircraft Leasing Group Holdings Limited 12 ("CALC 12 ") together ("Lessees"). The Company then leased the aircraft to the Lessees who then subleased the aircraft to other commercial airlines.

The Company sold an aircraft to CALC 10 on 18 July 2024, an aircraft to CALC 11 on 22 July 2024, an aircraft to CALC 12 on 17 July 2024 and held all or part of the proceeds of the sales of the aircraft in the Company's bank account held with Citibank as cash collateral for the ECA loan agreements, for the purchase of substitute aircraft. On 18 November 2024, the Company entered into an Override Agreement pursuant to which the existing lessees CALC 10, CALC 11, and CALC 12, were replaced by a new Lessee (the "New Lessee"). Under the terms of the agreement, the new aircraft is required to repay three loan payments per quarter.

There have been no significant changes to the principal activities of the Company during the year (2024: none).

Key performance indicators

During the financial year:

- the Company entered into a new aircraft leasing transaction (2024: none);
- ,finance lease income amounted to USD 1,548,747 (2024: USD 2,344,187); and,
- interest on loans amounted to USD 2,242,962 (2024: USD 2,342,613).

At the financial year end:

- the Company's total indebtedness to loan finance at the financial year end was USD 14,106,606 (2024: USD 24,410,707); and
- the net assets of the Company were USD 1 (2024: USD 1).

Future developments

The Directors expect the present level of activity to be sustained for the foreseeable future. The Directors will continue to seek new opportunities for the future growth and development of the Company and as such, the financial statements have been prepared on a going concern basis.

Results of operations and dividends for the financial year

The results for the financial year are set out on page 9. No dividends are recommended by the Directors for the financial year under review (2024: USD nil).

Change of Director, company secretary and registered office

On 31 July 2025, Sharon McDaid was appointed as Director and Helen Broderick resigned as Director on the same date.

There were no other changes in Secretary, Directors or registered office of the Company during the financial year and/or since the financial year end.

The Directors who held office throughout the financial year are listed on Page 1.

Directors' report (continued)**Directors, secretary and their interests**

None of the Directors and secretary who held office on 31 March 2025 and 31 March 2024, held any shares in the Company at that date, or during the financial year requiring disclosure in the Directors' report pursuant to Section 329 of the Companies Act 2014, as amended (the "Act"). No Director has or had any interest in the transactions with the Company.

Principal risks and uncertainties

The business is subject to risks and uncertainties. The principal risks and uncertainties are outlined in note 18 to the financial statements.

Going concern

The Directors have assessed the Company's ability to continue as a going concern. The loans as at 31 March 2025 will expire in 2027 and based on their evaluations, the Directors anticipate that the Company will continue to generate enough cash flows on an ongoing basis to meet its liabilities as they fall due and will be in operational existence for at least a period of 12 months from the date of signing. The financial statements have thus been prepared on a going concern basis.

Refer to note 2(d) for details on going concern.

Subsequent events

Significant subsequent events are set out in note 22 to the financial statements.

Accounting records

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Act with regard to the keeping of accounting records by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Block A, George's Quay Plaza, George's Quay, Dublin 2, Ireland.

Statement on relevant audit information

Each Director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Political donation

The Company made no political donations or incurred any political expenditure during the financial year (2024: nil).

Directors' compliance statement

At this present time the Company is operating within the turnover threshold limits as set out under Section 225(7) of the Act, which enables the Company to avail of an exemption to the Compliance Policy Statement obligations. Accordingly, the Directors are not required to include a Compliance Statement in their statutory Directors' report for the financial year ended 31 March 2025.

Audit committee

As at the date of these financial statements, the Company is operating within the turnover threshold limits as set out under Section 167(1) of the Act, and as such the Company does not meet the requirements to establish an audit committee for the financial year ended 31 March 2025.

Independent auditor

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have signified their willingness to continue in office as auditor in accordance with Section 383(2) of the Act.

Hong Kong Ecafin 1 Designated Activity Company

Directors' report (continued)


Relevant audit information

So far, each Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made inquiries of fellow directors and the auditor, each director has taken all the steps that are obliged of a director in order to make himself/herself aware of any relevant information and to establish that the auditor is aware.

On behalf of the Board

DocuSigned by:

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Fergus Tighe
Director

Signed by:

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Sharon McDaid
Director

Date: 2 March 2026

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Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and financial statements in accordance with the Act and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company for each financial year. Under that law, the Directors have elected to prepare the Company financial statements in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Act.

In preparing those financial statements, the Directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Act and enable the financial statements to be audited. They are also responsible for taking such steps as are open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the Board

DocuSigned by:

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Fergus Tighe
Director

Signed by:

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Sharon McDaid
Director

Date: 2 March 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG ECAFIN 1 DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion on the financial statements of Hong Kong Ecafin 1 Designated Activity Company ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2025 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement Cash Flow; and
- the related notes 1 to 23, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG ECAFIN 1 DESIGNATED ACTIVITY COMPANY

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

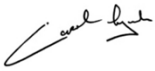
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG ECAFIN 1 DESIGNATED ACTIVITY COMPANY

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Carol Lynch
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

03 March 2026

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**Statement of Comprehensive Income
For the financial year ended 31 March 2025**

	Note	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Lease income	4	1,548,747	2,344,187
Gross profit		<hr/> 1,548,747	<hr/> 2,344,187
Other operating income	5	757,381	67,260
Other expenses	6	(63,166)	(68,834)
Operating profit		<hr/> 2,242,962	<hr/> 2,342,613
Interest expense and similar charges	8	(2,242,962)	(2,342,613)
Result on ordinary activities before taxation		<hr/> -	<hr/> -
Tax on profit from ordinary activities	9	-	-
Result for the financial year		<hr/> -	<hr/> -
Other comprehensive income		-	-
Total comprehensive income for the financial year		<hr/> <hr/> -	<hr/> <hr/> -

All items in arriving at the profit for the financial years ended 31 March 2025 and 31 March 2024 relate to continuing operations.

The Company had no recognised gains or losses in the financial year other than those dealt within the Statement of Comprehensive Income.

The accompanying notes on pages 13 to 21 form an integral part of these financial statements.

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**Statement of Financial Position
As at 31 March 2025**

	Note	31-Mar-25 USD	31-Mar-24 USD
Non current assets			
Net investment in finance leases	10	14,106,606	24,410,707
Total non current assets		<u>14,106,606</u>	<u>24,410,707</u>
Current assets			
Cash at bank	11	91,840	80,858
Other debtors	12	111,829	386,734
Net investment in finance leases	10	10,304,101	10,082,820
Total current assets		<u>10,507,770</u>	<u>10,550,412</u>
Creditors - amounts falling due within one financial year			
Other creditors	13	(203,668)	(467,591)
Loans payable	14	(10,304,101)	(10,082,820)
		<u>(10,507,769)</u>	<u>(10,550,411)</u>
Creditors - amounts falling due after more than one financial year			
Loans payable	14	(14,106,606)	(24,410,707)
Net assets		<u><u>1</u></u>	<u><u>1</u></u>
Capital and reserves			
Called up share capital presented as equity	15	1	1
Retained earnings		-	-
Shareholders' funds		<u><u>1</u></u>	<u><u>1</u></u>

On behalf of the Board

DocuSigned by:



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Fergus Tighe**Director**

Signed by:



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Sharon McDaid**Director****Date: 2 March 2026**

The accompanying notes on pages 13 to 21 form an integral part of these financial statements.

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**Statement of Changes in Equity
For the financial year ended 31 March 2025**

	Called up share capital USD	Retained earnings USD	Total USD
Opening balance	1	-	1
Total comprehensive income	-	-	-
Result for the financial year	-	-	-
Balance as at 31 March 2024	<u>1</u>	<u>-</u>	<u>1</u>
Opening balance	1	-	1
Total comprehensive income	-	-	-
Result for the financial year	-	-	-
Balance as at 31 March 2025	<u>1</u>	<u>-</u>	<u>1</u>

The accompanying notes on pages 13 to 21 form an integral part of these financial statements.

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Statement of Cash Flows**For the financial year ended 31 March 2025**

	Note	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Cash flows from operating activities			
Result on ordinary activities before taxation		-	-
Adjustments for:			
Finance lease income	4	(1,548,747)	(2,344,187)
Interest expense on loans payable	8	2,242,962	2,342,613
		<u>694,215</u>	<u>(1,574)</u>
<i>Working capital adjustments:</i>			
(Increase)/decrease in other debtors	12	(7,936)	33
Increase in other creditors	13	18,918	5,572
		<u>705,197</u>	<u>4,031</u>
Net cash generated from operating activities			
Cash flows from investing activities			
Capital element of net finance lease rental payment	10	10,082,820	9,870,324
Finance lease income received		1,831,588	2,396,750
		<u>12,619,605</u>	<u>12,271,105</u>
Net cash generated from investing activities			
Cash flows from financing activities			
Repayment of loans payable	14	(10,082,820)	(9,870,324)
Interest expense paid		(2,525,803)	(2,395,176)
		<u>(12,608,623)</u>	<u>(12,265,500)</u>
Net cash used in financing activities			
Increase in cash at bank		10,982	5,605
Cash at bank at beginning of the financial year		80,858	75,253
Cash at bank at end of financial year		<u><u>91,840</u></u>	<u><u>80,858</u></u>

The accompanying notes on pages 13 to 21 form an integral part of these financial statements.

Notes to the financial statements**For the financial year ended 31 March 2025****1 General information**

The Company was incorporated and registered in Ireland on 9 February 2015 under registration number 557136. The address of its registered office and principal place of business is disclosed in the Directors and other information on page 1. The principal activity of the Company is to carry on the business of the purchasing, financing and leasing of aircraft.

The Company entered into a transaction arranged by ING Capital, LLC pursuant to which it acquired a number of aircraft over a period of time. The Company partly funded the acquisition of these aircrafts entering into loan agreements with a syndicate of lenders arranged by ING Capital, LLC. The Company financed the remainder of the purchase price through funding received from initial rent from the Lessees. The Company then leased the aircraft to the Lessees who then subleased the aircraft to other commercial airlines.

The Company sold an aircraft to CALC 10 on 18 July 2024, an aircraft to CALC 11 on 22 July 2024, an aircraft to CALC 12 on 17 July 2024 and held all or part of the proceeds of the sales of the aircraft in the Company's bank account held with Citibank as cash collateral for the ECA loan agreements, for the purchase of substitute aircraft. On 18 November 2024, the Company entered into an Override Agreement pursuant to which the existing lessees CALC 10, CALC 11, and CALC 12, were replaced by a new Lessee (the "New Lessee"). Under the terms of the agreement, the new aircraft is required to repay three loan payments per quarter.

The Company has no employees and administration services are contracted from third parties.

Basis of preparation**(a) Statement of compliance**

The financial statements have been prepared in accordance with Companies Act 2014, as amended and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements are prepared on a going concern basis and under the historical cost convention and are stated in United States Dollars ("USD"), which is the principal operating currency of the Company.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2025 and the comparative information presented in these financial statements for the financial year ended 31 March 2024.

(b) Basis of measurement

The financial statements have been prepared on the historical basis.

(c) Functional and presentation currency

These financial statements are presented in USD, which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. Net investment in finance lease and loans payable are denominated in USD and the Directors of the Company believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company.

(d) Going concern

The Directors, having a reasonable expectation that the Company will continue in operational existence for a year of not less than twelve months from the date of these signed financial statements, have prepared the financial statements on a going concern basis. All the lease income has been received on the schedule date during the financial year and as of date of signing the financial statements. In addition, the Company is able to pay all its debt and expenses as of date.

The company sold its aircraft on July 2024 and held all or part of the proceeds of the sales of the aircraft in the Company's bank account held with Citibank as cash collateral for the ECA loan agreements and make use of such cash collateral amount towards the purchase of substitute aircraft in the 4th Quarter 2024. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

**Notes to the financial statements (continued)
For the financial year ended 31 March 2025****2 Material accounting policies****(a) Financial instruments**

The Company's financial statements are prepared under FRS 102 which permits the application of IAS 39 "Financial Instruments: Recognition and Measurement" or IFRS 9 in place of the recognition and measurement provisions laid out in Section 11 "Basic Financial Instruments" of FRS 102. IAS 39 establishes specific categories into which all financial assets and liabilities must be classified. The Company elected to apply IAS 39 on classifying financial instruments. The classification of financial instruments dictates how these assets and liabilities are subsequently measured in financial statements.

(i) Recognition

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, other than:

- (a) those that the entity intends to sell immediately or in the near term and those that the entity upon initial recognition designates as at fair value through profit and loss;
- (b) those that the entity upon initial recognition designates
- (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

(ii) Measurement

Financial assets, financial liabilities and loans and receivables are initially measured at fair value. They are subsequently measured at amortised cost.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, minus any reduction (directly or through the use of an allowable account) for impairment or uncollectability in the case of financial assets.

Effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses.

(iii) De-recognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition in accordance with IAS 39. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(b) Debtors/creditors

Other debtors and creditors do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

A provision for impairment of debtors is recognised when there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtors are impaired.

(c) Cash and cash equivalents

Cash and cash equivalents include cash balances held with third party banks.

Notes to the financial statements (continued)**For the financial year ended 31 March 2025****3 Material accounting policies (continued)****(d) Share capital**

Share capital is issued in Euro ("EUR"). No dividends are recognised in the financial year.

(e) Taxation

Current tax is provided on the Company's taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in financial periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(f) Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Details of material judgements and estimates have been further described in accounting policy 3(a) "Financial instruments" and note 18 to the financial statements.

Key sources of estimation uncertainty

There were no significant estimates made during the financial year with the exception of the EIR calculation as the financial statements have been prepared on a historical cost basis.

(g) Net investment in finance leases

The net investment in finance leases included in the statement of financial position is carried at amortised cost and represents total lease payments receivable, not including any interest relating to future periods. Finance lease income is recognised in the Statement of Comprehensive Income and is allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease.

(h) Foreign currency transactions

Foreign currency transactions during the year are translated into United States Dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at rates prevailing at each reporting date. Non-monetary assets and liabilities that are denominated in foreign currency, which are stated at historical cost, are translated at the rates prevailing at the date of the transaction. Exchange differences are recognised in the Statement of Comprehensive Income.

(i) Income and expense recognition

Lease income, interest expense and operating expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Hong Kong Ecafin 1 Designated Activity Company

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Notes to the financial statements (continued)**For the financial year ended 31 March 2025**

4 Lease income	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Finance lease income	1,548,747	2,344,187

All finance lease income is derived from finance leases to Lessees in Ireland.

5 Other operating income	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Other income	59,680	62,535
Bank interest	696,943	4,725
VAT refund	525	-
Foreign exchange gain	233	-
	<u>757,381</u>	<u>67,260</u>

6 Other expenses	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Professional fees	(40,123)	(46,892)
Audit fees	(17,633)	(16,087)
Tax advisory fees	(5,335)	(5,126)
Bank charges	(75)	(446)
Foreign exchange loss	-	(249)
Vat Expense	-	(34)
	<u>(63,166)</u>	<u>(68,834)</u>

Section 305A(1)(a) of the Act, requires disclosure that Vistra Alternative Investments (Ireland) Limited (the "Administrator" or "VAIIL") receives €1,000 (2024: €1,000) per Director included in administration fees as consideration for the making available of individuals to act as Directors of the Company. The terms of the corporate services agreement in place between the Company and VAIIL provide for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company. For the avoidance of doubt, Sharon McDaid, Fergus Tighe and Helen Broderick do not receive any remuneration for acting as Directors of the Company. Sharon McDaid is an employee of VAIIL. Fergus Tighe and Helen Broderick are employees of Vistra Corporate Services (Ireland) Ltd, a sister company of VAIIL. The Company has no employees and services required are contracted from third parties.

Fees payable (excluding VAT) to the Company's auditor and its associates in respect of:

	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Statutory audit	(14,109)	(13,488)
Tax compliance services	(4,327)	(4,316)
	<u>(18,436)</u>	<u>(17,804)</u>

Auditor's remuneration for the current financial year arises solely on fees incurred for the statutory audit and tax compliance fees.

The auditor is entitled to receive reimbursement of all out of pocket expenses incurred.

Hong Kong Ecafin 1 Designated Activity Company

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Notes to the financial statements (continued)

For the financial year ended 31 March 2025

7 Employee numbers and costs

There were no employee costs during the financial year. The Company entered into a management agreement with VAILL to provide administrative services to the Company for a fee of USD 18,211 (2024: USD 18,335).

8 Interest expense and similar charges

	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Interest on loans payable	(2,242,962)	(2,342,613)

9 Taxation

	Financial year ended 31-Mar-25 USD	Financial year ended 31-Mar-24 USD
Result from ordinary activities before taxation	-	-
Current tax charge at 12.5%	-	-

The Company is charged corporation tax at a rate of 12.5% (2024: 12.5%).

10 Net investment in finance leases

	31-Mar-25 USD	31-Mar-24 USD
At the start of the financial year	34,493,527	44,363,851
Principal paydown on finance lease during the financial year	(10,082,820)	(9,870,324)
At the end of financial year	24,410,707	34,493,527

Maturity analysis

	31-Mar-25 USD	31-Mar-24 USD
Within one year	10,304,101	10,082,820
Between two to five years	14,106,606	24,410,707
Greater than five years	-	-
Amounts due after more than one year	14,106,606	24,410,707
Total	24,410,707	34,493,527

The Company entered into transactions which involves the acquisition of aircraft. The Company then leased the aircraft to the Lessees who then subleased the aircraft to other commercial airlines.

The leases will mature in 2027. Upon termination of the lease period, each Lessee will have the option to purchase the aircraft from the Company on the maturity date by paying to the Company the option purchase price.

The Company sold aircraft to CALC 10 on 18 July 2024, aircraft to CALC 11 on 22 July 2024, an aircraft to CALC 12 on 17 July 2024 and held all or part of the proceeds of the sales of the aircraft in the Company's bank account held with Citibank as cash collateral for the ECA loan agreements, for the purchase of substitute aircraft. On 18 November 2024, the Company entered into an Override Agreement pursuant to which the existing lessees CALC 10, CALC 11, and CALC 12, were replaced by a new Lessee (the "New Lessee"). Under the terms of the agreement, the new aircraft is required to repay three loan payments per quarter.

	31-Mar-25 USD	31-Mar-24 USD
Gross investment in finance lease	24,954,221	40,750,927
Less unearned finance revenues	(543,513)	(6,257,400)
Present value of future minimum	24,410,708	34,493,527

Notes to the financial statements (continued)
For the financial year ended 31 March 2025

10 Net investment in finance leases (continued)

As of 31 March 2025 and 2024, the gross investment and present value of receivables relating to future minimum lease payments under the finance lease agreements were distributed as follows:

	Gross investment		Present value of receivables relating to future minimum lease	
	USD	USD	USD	USD
Expected maturity				
2027	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
	24,954,221	40,750,927	24,410,708	34,493,527

11 Cash at bank

	31-Mar-25	31-Mar-24
	USD	USD
Cash at bank	91,840	80,858

The Company's cash balances are 69% (2024: 68%) held with Allied Irish Bank and 31% (2024: 32%) with Citibank.

12 Other debtors

	31-Mar-25	31-Mar-24
	USD	USD
Lease income receivable	96,319	379,160
Prepayment	15,509	-
Other receivables	-	7,573
Unpaid share capital	1	1
	111,829	386,734

13 Other Creditors

	31-Mar-25	31-Mar-24
	USD	USD
Interest payable	(96,319)	(379,160)
Other payables	(51,169)	(25,039)
Accrued expenses	(56,180)	(63,392)
	(203,668)	(467,591)

14 Loans payable

	31-Mar-25	31-Mar-24
	USD	USD
Loans payable	(24,410,707)	(34,493,527)

Movement on total loans payable:

At start of the financial year	(34,493,527)	(44,363,851)
Loan repaid during the financial year	10,082,820	9,870,324
At end of the financial year	(24,410,707)	(34,493,527)

Maturity analysis

	31-Mar-25	31-Mar-24
	USD	USD
Repayable by instalments:		
Within one year	(10,304,101)	(10,082,820)
Between two to five years	(14,106,606)	(24,410,707)
Greater than five years	-	-
Amounts due after more than one year	(14,106,606)	(24,410,707)
Total	(24,410,707)	(34,493,527)

The Company has financed each aircraft borrowing funds from various lenders under the various loan agreements. The loans are limited recourse to the investment in finance leases. The loans are secured to the sum of any proceeds of the Company and guaranteed by China Aircraft Leasing Group Holdings Limited.

Notes to the financial statements (continued)
For the financial year ended 31 March 2025

14 Loans payable (continued)

The loans bear interest at a Compound Reference Rate + a margin of 0.48% for each aircraft. The loans will mature in 2027 and interest is payable quarterly.

15 Called up share capital presented as equity

	31-Mar-25	31-Mar-24
<i>Authorised capital</i>	EUR	EUR
100,000 ordinary shares of EUR 1 each	100,000	100,000
	<hr/> <hr/>	<hr/> <hr/>
<i>Issued capital and unpaid</i>	USD	USD
1 ordinary share of EUR 1	1	1
	<hr/> <hr/>	<hr/> <hr/>
<i>(Converted at historic rate of €/\$: 1.2578)</i>		

16 Ownership of the Company

The only shareholder in the Company is Vistra Trust Services (Ireland) Limited (the "VTSIL") (previously known as Vistra Capital Markets (Ireland) Limited) holding one share in the Company held in trust.

The Board have considered the matter as to who is the ultimate controlling party of the Company. It has been determined that the control of the day-to-day activities rests with the Board. The Board is composed of two Directors, Sharon McDaid is an employee of VAAIL and Fergus Tighe is an employee of Vistra Corporate Services (Ireland) Ltd, a sister company of VAAIL, being the entity acting as the Company's administrator. The results of the Company are not consolidated with any entity.

17 Related party transactions

During the financial year, the Company incurred a fee at commercial rates relating to administration services provided by VAAIL, the administrator and Company Secretary (Refer note 7).

On 18 November 2024, the Company entered into an Override Agreement pursuant to which the existing lessees CALC 10, CALC 11, and CALC 12, were replaced by a new Lessee (the "New Lessee"). ING Capital LLC acts as the National Agent for all ECA Loans and any decision or action taken by ING Capital LLC in this capacity is deemed to apply to all ECA Loans and is binding on each of the National Agents. Under the terms of the agreement, the new aircraft is required to repay three loan payments per quarter. The loans are secured to the sum of any proceeds of the Company and guaranteed by China Aircraft Leasing Group Holdings Limited (Refer to note 14).

The Directors listed on Page 1 of the financial statements are employed by Vistra Corporate Services (Ireland) Ltd, a sister company of VAAIL. There were no direct transactions which arose with the Directors and the Directors received no remuneration during the financial year (2024: USD Nil). Refer to note 6.

18 Financial risk management

Introduction and overview

The Board has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- a) Operational risk;
- b) Credit risk;
- c) Market risk; and
- d) Liquidity risk

(a) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Company's operations.

The Company was incorporated with the purpose of engaging in those activities outlined in note 1. All management and administration functions are outsourced to VAAIL.

Notes to the financial statements (continued)
For the financial year ended 31 March 2025

18 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to the head lease fails to meet its contractual obligations. The Company's principal financial assets are its net investment in finance leases, other debtors and cash at bank which represent the Company's maximum exposure to credit risk.

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 March 2025 in relation to net investment in finance leases, is set out below:

	31-Mar-25	31-Mar-24
	USD	USD
Net investment in finance leases	24,410,707	34,493,527
Other debtors	111,829	386,734
Cash at bank	91,840	80,858
	<u>24,614,376</u>	<u>34,961,119</u>

The Company's exposure to credit risk of the counterparties of the finance lease arrangements is mitigated as they are guaranteed by China Aircraft Leasing Group Holdings Limited (the "Guarantor") under the All Parties Agreement. At 31 March 2025, Allied Irish Banks Plc had a Moody's credit rating of A1 (2024: A1) and Citibank had a Moody's credit rating of Aa3 (2024: Aa3). The Guarantor had a rating of Ba2 as at 31 March 2025 (2024: Ba2).

(c) Market risk

Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and price

(i) Interest rate risk

The Company does not bear significant interest rate risk since income from the head leases are matched to interest rates and principal payment terms on loans.

	Fixed rate	Floating	Non interest	
	USD	rate	bearing	Total
31-Mar-25		USD	USD	USD
Financial assets				
Cash at bank	-	-	91,840	91,840
Other receivables	-	-	15,510	15,510
Lease income receivable	-	-	96,319	96,319
Net investment in finance lease		24,410,707		24,410,707
	-	24,410,707	203,669	24,614,376
Financial liabilities				
Loan payable	-	24,410,707	-	24,410,707
Other payables	-	-	107,349	107,349
Interest payable	-	-	96,319	96,319
	-	24,410,707	203,668	24,614,375
31-Mar-24				
Financial assets				
Cash at bank	-	-	80,858	80,858
Other receivables	-	-	7,574	7,574
Lease income receivable	-	-	379,160	379,160
Net investment in finance lease		34,493,527		34,493,527
	-	34,493,527	467,592	34,961,119
Financial liabilities				
Loan payable	-	34,493,527	-	34,493,527
Other payables	-	-	88,431	88,431
Interest payable	-	-	379,160	379,160
	-	34,493,527	467,591	34,961,118

Sensitivity analysis

For the Loan, the impact of a 1% increase in interest rate at the reporting date on the profit or loss would have been an increase of \$333,718 (2024: \$475,778). A decrease of 1% would have had an equal but opposite effect.

Notes to the financial statements (continued)
For the financial year ended 31 March 2025

18 Financial risk management (continued)

(c) Market risk (continued)

(ii) Currency risk

The rental income under the head lease, the interest expense and principal repayments under the loans are denominated in USD, which is the Company's reporting currency. The share capital, administrative expenses and the bank balance held are denominated in EUR, but given that the transactions are not significant, the total exposure to currency risk is minimal.

(iii) Price risk

The net investment in finance leases and the loans payable are recorded at amortised cost. Hence, the Company is not subject to changing market prices.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company receives rental income under the lease agreements and pays interest under the ECA Loan Agreements. All substantial risks and rewards associated with the lease are ultimately borne by the head lessee and Guarantor.

31-Mar-25	Carrying amount USD	Gross contractual cash flows USD	Less than one year USD	Two to five years USD	More than five years USD
Loans payable	(24,410,707)	(25,472,791)	(10,304,101)	(15,168,690)	-

31-Mar-24	Carrying amount USD	Gross contractual cash flows USD	Less than one year USD	Two to five years USD	More than five years USD
Loans payable	(34,493,527)	(41,130,086)	(10,082,820)	(31,047,266)	-

Fair value of the financial assets and liabilities that are not measured at fair value on a recurring basis

The Directors consider the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values at the reporting date.

19 Securities and guarantees

China Aircraft Leasing Group Holdings Limited (the "Guarantor") pursuant to the Guarantee Agreement dated 18 March 2015 guaranteed to Wilmington Trust SP Services (Dublin) Limited (the "Security Trustee") and the Company, the punctual payment of each and every amount due by the Lessees to the Company and also promised to pay to the Security Trustee and the Company any unpaid balance of every sum due or payable by the Lessees in accordance with the terms and conditions of the Guarantee Agreement.

20 Contingent liabilities

There are no other liabilities that need to be recognised.

21 Capital risk management

The Company views its share capital as its capital. The Company is a special purpose vehicle set up to enter into aircraft leasing transactions. Share capital of EUR 1 was issued in line with Irish company law and is not used for financing the investing activities of the Company. The Company is not subject to any other externally imposed capital requirements.

22 Subsequent events

On 31 July 2025, Sharon McDaid was appointed as Director and Helen Broderick resigned as Director on the same date.

There have been no other significant subsequent events to the financial year end that require disclosure in the financial statements up to the date of signing this report.

23 Approval of financial statements

The Board approved these financial statements on 2 March 2026.