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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)

GRANT OF SHARE OPTIONS

The Board of the Company hereby announces that subject to acceptance of the Grantees, 26,240,000 Options to subscribe for 26,240,000 Shares were granted and/or conditionally granted (as the case may be) on 22 July 2016 under the Post-IPO Share Option Scheme.

The grant of the 10,000,000 Options to Mr. CHEN and the grant of the 3,800,000 Options to Ms. NG will be conditional upon the approval of the independent shareholders of the Company at the EGM in accordance with the requirements of the Listing Rules.

A circular containing, among other things, further details in respect of the grant of the Options to Mr. CHEN and Ms. NG together with a notice of the EGM will be despatched to the shareholders of the Company as soon as possible in accordance with the requirements of the Listing Rules.

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board of directors (the “**Board**”) of China Aircraft Leasing Group Holdings Limited (the “**Company**”) hereby announces that subject to acceptance of the grantees (the “**Grantees**”), 26,240,000 share options (the “**Options**”) to subscribe for 26,240,000 ordinary shares of HK\$0.10 each in the Company (the “**Shares**”) were granted and/or conditionally granted (as the case may be) on 22 July 2016, being the date of grant (the “**Date of Grant**”), under the post-IPO share option scheme adopted by the Company on 23 June 2014 and became effective on 11 July 2014 (the “**Post-IPO Share Option Scheme**”). Details of the Options granted are as follows:

Date of Grant: 22 July 2016

Exercise price of Options granted: (1) Grantees other than Mr. CHEN Shuang (“Mr. CHEN”) and Ms. Christina NG (“Ms. NG”):

HK\$8.80 per Share, representing (i) approximately 10% premium to the closing price of HK\$8.00 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; and (ii) approximately 5.9% premium to the average closing price of HK\$8.31 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant

(2) Mr. CHEN and Ms. NG:

The higher of:

- (i) HK\$8.80 per Share (ie. the exercise price of Options granted to other Grantees on the Date of Grant);
- (ii) 10% discount to the closing price per Share as stated in the daily quotation sheets issued by the Stock Exchange on the business day immediately preceding the date of extraordinary general meeting (“EGM”) of the Company to be convened and held for the purpose of approving the conditionally granted Options (the “**Date of Conditional Approval**”); or
- (iii) 10% discount to the average closing price per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Conditional Approval

Number of Options granted: 26,240,000 Options. Each Option shall entitle the holder of the Option to subscribe for one Share upon exercise of such Option

Validity period of Options: Commencing on the Date of Grant and expiring on 21 July 2020

Vesting date of Options: Subject to the achievement of certain performance targets, if any, within relevant periods,

- (i) 33% of Options shall become exercisable on and from 22 January 2017 and expires on 21 July 2020;
- (ii) 33% of Options shall become exercisable on and from 22 January 2018 and expires on 21 July 2020; and
- (iii) 34% of Options shall become exercisable on and from 22 January 2019 and expires on 21 July 2020

Among the 26,240,000 Options granted, 17,400,000 Options were granted to the directors and an associate of a substantial shareholder (who is also one of the employees of the Group) of the Company, details of which are as follows:

<u>Name of Grantees</u>	<u>Positions held with the Company and relationship with the Company</u>	<u>Number of Options granted</u>
Mr. CHEN Shuang	Executive Director, Chairman and Chief Executive Officer	10,000,000
Ms. LIU Wanting	Executive Director, Deputy Chief Executive Officer and Chief Commercial Officer	3,000,000
Ms. CHEN Chia-Ling	Non-executive Director	200,000
Mr. CHEOK Albert Saychuan	Independent Non-executive Director	200,000
Mr. CHOW Kwong Fai, Edward	Independent Non-executive Director	200,000
Ms. Christina NG	Senior Vice President – Commercial of a subsidiary of the Company and associate of substantial shareholder	3,800,000
	Total	17,400,000

Pursuant to Rule 17.04(1) of the Listing Rules and the Post-IPO Share Option Scheme, the grant of the Options to each of the directors and an associate of a substantial shareholder of the Company has been approved by the independent non-executive directors of the Company (excluding the independent non-executive director who is a Grantee of the Options), provided that the grant of the Options to Mr. CHEN and Ms. NG shall be conditional upon the approval of the shareholders of the Company except those required to abstain from voting as described below.

Save as disclosed above, none of the Grantees is a director, chief executive or substantial shareholder of the Company, or any of his respective associates (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

The 10,200,000 Shares to be issued to Mr. CHEN upon exercise in full of the existing 200,000 Options granted on 2 September 2014 and the 10,000,000 Options conditionally granted as disclosed in this announcement represented approximately 1.64% of the total issued share capital of the Company.

Pursuant to Rule 17.03(4) of the Listing Rules and the Post-IPO Share Option Scheme, where any further grant of Options to the Grantees would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant of Options must be separately approved by shareholders of the Company in general meeting.

Accordingly, the grant of the 10,000,000 Options to Mr. CHEN will be conditional upon the approval of independent shareholders of the Company at the EGM in accordance with the requirements of the Listing Rules. Mr. CHEN and his associates must abstain from voting in favour at the EGM.

The 3,800,000 Shares to be issued to Ms. NG upon exercise in full of the 3,800,000 Options conditionally granted as disclosed in this announcement represented approximately 0.61% of the total issued share capital of the Company and such grant shall have an aggregate value, based on the closing price of the Shares at the Date of Grant, in excess of HK\$5 million.

Pursuant to Rule 17.04(1) of the Listing Rules and the Post-IPO Share Option Scheme, any grant of Options to a substantial shareholder or any of its respective associates, which would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of Options must be separately approved by shareholders of the Company in general meeting.

Accordingly, the grant of the 3,800,000 Options to Ms. NG will be conditional upon the approval of independent shareholders of the Company at the EGM in accordance with the requirements of the Listing Rules. Ms. Ng and her associates must abstain from voting in favour at the EGM.

A circular containing, among other things, further details in respect of the grant of the Options to Mr. CHEN and Ms. NG together with a notice of the EGM will be despatched to the shareholders of the Company as soon as possible in accordance with the requirements of the Listing Rules.

By order of the Board
China Aircraft Leasing Group Holdings Limited
CHEN SHUANG
*Executive Director, Chairman
and Chief Executive Officer*

Hong Kong, 22 July 2016

As at the date of this announcement, (i) the Executive Directors are Mr. CHEN Shuang and Ms. LIU Wanting; (ii) the Non-executive Directors are Mr. TANG Chi Chun, Mr. GUO Zibin and Ms. CHEN Chia-Ling; 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, J.P.