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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Aircraft Leasing Group Holdings Limited**, you should hand this circular together with the accompanying form of proxy at once to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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 OPTIONS UNDER THE POST-IPO SHARE OPTION SCHEME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 8 of this circular. A letter from the Independent Board Committee is set out on page 9 of this circular.

A notice convening the EGM to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 17 April 2020 at 10:00 a.m. (or as soon thereafter as the annual general meeting of the Company convened for the same day and place shall have concluded or adjourned) is set out on pages 10 to 11 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not Shareholders intend to attend the EGM, Shareholders are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof if Shareholders so wish.

24 March 2020

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context otherwise requires:*

“Announcement”	the announcement of the Company dated 2 January 2020 relating to the Grant of Options;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	China Aircraft Leasing Group Holdings Limited (中國飛機租賃集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Date of Grant”	2 January 2020;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 17 April 2020 at 10:00 a.m. (or as soon thereafter as the annual general meeting of the Company convened for the same day and place shall have concluded or adjourned);
“Grant of Options”	the conditional grant of Options to Mr. ZHAO on the Date of Grant, the terms of which are set out in the section headed “GRANT OF OPTIONS UNDER THE POST-IPO SHARE OPTION SCHEME” under the “Letter from the Board” contained in this circular;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Board comprising all independent non-executive Directors which has been formed to advise the Independent Shareholders in respect of the Grant of Options;
“Independent Shareholders”	those Shareholders other than Mr. ZHAO and his associates;

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## DEFINITIONS

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“Latest Practicable Date”	18 March 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Mr. ZHAO”	Mr. ZHAO Wei, the Chairman and an executive Director of the Company;
“Options”	the options to subscribe for 10,000,000 Shares conditionally granted to Mr. ZHAO under the Post-IPO Share Option Scheme;
“Post-IPO Share Option Scheme”	the share option scheme adopted by the Company on 23 June 2014, which became effective on 11 July 2014;
“PRC”	The People’s Republic of China;
“Share(s)”	share(s) with par value of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.



**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)**

*Executive Directors:*

Mr. ZHAO Wei (*Chairman*)

Mr. POON Ho Man

*(Chief Executive Officer)*

Ms. LIU Wanting

*(Deputy Chief Executive Officer)*

*Registered office in the Cayman Islands:*

Maples Corporate Services Limited

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

*Principal place of business in Hong Kong:*

28th Floor, Far East Finance Centre

16 Harcourt Road

Hong Kong

*Non-executive Director:*

Mr. TANG Chi Chun

*Independent Non-executive Directors:*

Mr. FAN Yan Hok, Philip

Mr. NIEN Van Jin, Robert

Mr. CHEOK Albert Saychuan

Mr. CHOW Kwong Fai, Edward, *JP*

24 March 2020

*To the Shareholders*

Dear Sir or Madam,

**GRANT OF OPTIONS UNDER THE POST-IPO SHARE OPTION SCHEME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide Shareholders with, (i) further information regarding the Grant of Options; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Grant of Options; and (iii) the notice of the EGM.

**2. GRANT OF OPTIONS UNDER THE POST-IPO SHARE OPTION SCHEME**

Reference is made to the Announcement of the Company regarding the Grant of Options under the Post-IPO Share Option Scheme. On 2 January 2020, the Company conditionally granted the Options to Mr. ZHAO pursuant to the Post-IPO Share Option Scheme, which is subject to the Independent Shareholders' approval.

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## LETTER FROM THE BOARD

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### Principal terms of the Grant of Options

<b>Date of Grant</b>	2 January 2020
<b>Exercise Price of Options Granted</b>	The higher of: <ul style="list-style-type: none"><li>(i) HK\$9 per Share, representing (a) approximately 9.0% premium to the closing price of HK\$8.26 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; and (b) approximately 8.3% 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; or</li><li>(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 the EGM; or</li><li>(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 the EGM</li></ul>
<b>Number of Options Granted</b>	10,000,000 Options. Each Option shall entitle the holder of Option to subscribe for one Share upon exercise of such Option
<b>Consideration for the Grant</b>	Upon acceptance of the Options, Mr. ZHAO shall pay HK\$1 to the Company as consideration for the Grant of Options

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## LETTER FROM THE BOARD

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### **Validity Period of Options**

The initial validity period commenced on the date of the EGM and will expire on the date falling two years after the date of the EGM (the “**Expiry Date**”). For the avoidance of doubt, the Expiry Date will be the date falling two years after the date of the EGM, instead of 2 January 2022 (as set out in the Announcement). Subject to the approval of the Board on or before the Expiry Date (which approval will be given if Mr. ZHAO remains a Director at that time) and also compliance with the relevant requirements under the Listing Rules as set out under the section headed “Listing rules implications” below, any Options which have not been exercised by Mr. ZHAO within the initial validity period will have an additional validity period of two years from the date following the Expiry Date

### **Vesting Period and Conditions of Options**

The Options have no vesting period or vesting conditions. They can be exercised by Mr. ZHAO within the validity period of the Options

### **Rights of Shares to be Issued upon Exercise of Options**

The Shares to be issued and allotted upon the exercise of the Options will rank *pari passu* in all respects with the Shares in issue as of the date when the name of the grantee is registered on the register of members of the Company and accordingly will entitle the holder the same rights in relation to voting, dividends or other distributions and transfer as the Shares in issue in accordance with the Articles of Association

### **Reasons for the Grant of Options**

Mr. ZHAO is the Chairman of the Company and an executive Director. Mr. ZHAO is responsible for formulating the Group’s overall strategic planning and directions.

The Board is of the view that the Grant of Options is an appropriate way to recognise the continuous contribution of Mr. ZHAO who has contributed significantly to the business operation and performance of the Group and achievement in the Company’s strategy of increasing shareholder value. The proposed grant serves as an appreciation of the dedication and efforts of Mr. ZHAO and as an incentive for his continuing commitment and contribution to the growth of the Group in the future by further aligning the long-term interests of the Company with Mr. ZHAO. By reference to the 10,000,000 share options with a validity period of four years previously granted to Mr. CHEN Shuang, the former Chairman of the Company and the former executive Director, Mr. ZHAO has been conditionally granted the Options entitling him to subscribe for 10,000,000 Shares (with an initial validity period of two years and, in respect of any Options which have not been exercised within the initial validity period,

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## LETTER FROM THE BOARD

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an additional validity period of two years subject to the approval of the Board on or before the Expiry Date (which approval will be given if Mr. ZHAO remains a Director at that time) and also compliance with the relevant requirements under the Listing Rules as set out under the section headed “Listing rules implications” below. The Company estimated the expenses which it would incur from an accounting perspective for granting share options with different validity periods, based on various parameters, including: (i) the length of the validity period (and the time value of share options with such validity period), (ii) the estimated volatility of the stock price of the Shares within the validity period, and (iii) the future dividends (if any) on the Shares within the validity period. The Company has granted the Options to Mr. ZHAO with the validity period as described above because based on its estimation, it would incur lower expenses from an accounting perspective as compared to granting the same number of share options with a validity period of four years.

The Grant of Options has been approved by the Independent non-executive Directors who are of the view that Mr. ZHAO is valuable to the Group and should be rewarded for his contributions to the Group.

### **Listing rules implications**

Pursuant to Rule 17.03(4) of the Listing Rules and the Post-IPO Share Option Scheme, where any further grant of options to a grantee 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 in general meeting.

No option was granted under the Post-IPO Share Option Scheme to Mr. ZHAO (including exercised, cancelled and outstanding options) in the 12-month period up to but excluding the Date of Grant. Mr. ZHAO is entitled to receive 10,000,000 Shares upon exercise in full of the Options conditionally granted as disclosed in this circular, representing approximately 1.5% of the total issued Shares as at the Latest Practicable Date.

Accordingly, the Grant of Options is subject to approval of the Independent Shareholders at the EGM in accordance with the requirements pursuant to the Listing Rules.

A resolution to approve the Grant of Options will be proposed at the EGM. Pursuant to the Listing Rules, Mr. ZHAO and his associates, who have material interests in the Grant of Options, are required to abstain from voting on the resolution to approve the Grant of Options at the EGM. As at the Latest Practicable Date, Mr. ZHAO and his associates do not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).



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## LETTER FROM THE BOARD

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The initial validity period of the Options commenced on the date of the EGM and will expire on the date falling two years after the date of the EGM (i.e. the Expiry Date). For any Options which have not been exercised by Mr. ZHAO within the initial validity period to be given an additional validity period of two years from the date following the Expiry Date, the Company will seek approval of the Board on or before the Expiry Date (which approval will be given if Mr. ZHAO remains a Director at that time) and also comply with the relevant requirements under the Listing Rules applicable to a grant of new share options pursuant to the Post-IPO Share Option Scheme (including but not limited to minimum exercise price, approval of the independent non-executive Directors and, where applicable, approval of the Independent Shareholders).

### Effect on shareholding structure of the Company upon exercise of the Options

The shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately upon exercise of all Options by Mr. ZHAO are as follows:

	As at the Latest Practicable Date		Immediately upon exercise of the Options by Mr. ZHAO in full	
	<i>Number of Shares held</i>	<i>Approximate percentage of the entire issued Shares</i>	<i>Number of Shares held</i>	<i>Approximate percentage of the entire issued Shares</i>
Mr. ZHAO	0	0%	10,000,000	1.46%
China Everbright Limited	241,595,479	35.67%	241,595,479	35.15%
POON Ho Man	197,554,589	29.17%	197,554,589	28.74%
LIU Wanting	10,000,000	1.48%	10,000,000	1.46%
TANG Chi Chun	200,000	0.03%	200,000	0.03%
FAN Yan Hok, Philip	200,000	0.03%	200,000	0.03%
NIEN Van Jin, Robert	234,000	0.03%	234,000	0.03%
CHEOK Albert Saychuan	5,000	0%	5,000	0%
Public Shareholders	<u>227,480,312</u>	<u>33.59%</u>	<u>227,480,312</u>	<u>33.10%</u>
Total	<u>677,269,380</u>	<u>100%</u>	<u>687,269,380</u>	<u>100%</u>

### 3. VOTING BY WAY OF POLL

Pursuant to the Articles of Association, a resolution put to the vote of a general meeting of the Company shall be decided by way of a poll. The Company will announce the results of the poll on all resolutions voted at the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 4. EGM

Notice of the EGM is set out on pages 10 to 11 of this circular.

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## LETTER FROM THE BOARD

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In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 10 April 2020 to Friday, 17 April 2020 (both days inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 17 April 2020 will be entitled to attend and vote at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not Shareholders are able to attend the meeting, Shareholders are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not prevent Shareholders from attending and voting at the EGM or any adjournment thereof if Shareholders so wish.

### 5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiry, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 6. RECOMMENDATION

The Independent Board Committee believes that the Grant of Options is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders (including the Independent Shareholders) to vote in favour of the resolution to be proposed at the EGM.

Your attention is drawn to the "Letter from the Independent Board Committee" as set out on page 9 of this circular, which sets out the recommendation of the Independent Board Committee to the Independent Shareholders.

By order of the Board  
**China Aircraft Leasing Group Holdings Limited**  
**POON HO MAN**  
*Executive Director and Chief Executive Officer*



**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)**

24 March 2020

*To the Independent Shareholders*

Dear Sir/Madam,

**GRANT OF OPTIONS**  
**UNDER THE POST-IPO SHARE OPTION SCHEME**

We refer to the circular of China Aircraft Leasing Group Holdings Limited (the “**Company**”) dated 24 March 2020 to the Shareholders (the “**Circular**”) of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

This letter sets out our recommendation to the Independent Shareholders as to voting in relation to the resolution to be proposed at the EGM for the approval of the conditional Grant of Options to Mr. ZHAO on the Date of Grant.

Mr. ZHAO is the Chairman and an executive Director of the Company. The Grant of Options is determined by reference to his individual performance and contributions to the Group. The Grant of Options has been reviewed and recommended by the Remuneration Committee of the Company to the Board for approval.

Having considered the Company’s strategy to promote continuous sustainable growth, to incentivise for the continuing commitment and contributions towards the growth of the Group, we are of the view that the terms of the Grant of Options are fair and reasonable and in the interest of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Grant of Options.

Yours faithfully,  
For and behalf of  
the Independent Board Committee

**FAN Yan Hok,**  
**Philip**  
*Independent*  
*non-executive*  
*Director*

**NIEN Van Jin,**  
**Robert**  
*Independent*  
*non-executive*  
*Director*

**CHEOK Albert**  
**Saychuan**  
*Independent*  
*non-executive*  
*Director*

**CHOW Kwong Fai,**  
**Edward, JP**  
*Independent*  
*non-executive*  
*Director*



**CHINA AIRCRAFT LEASING GROUP HOLDINGS LIMITED**  
**中國飛機租賃集團控股有限公司**

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**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of China Aircraft Leasing Group Holdings Limited (the “Company”) will be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 17 April 2020 at 10:00 a.m. (or as soon thereafter as the annual general meeting of the Company convened for the same day and place shall have concluded or adjourned) for the purpose of considering and, if thought fit, passing with or without modifications, the following proposed ordinary resolution of the Company:

**ORDINARY RESOLUTION**

1. “**THAT**

- (a) the grant of options to subscribe for 10,000,000 shares of the Company to Mr. ZHAO Wei, the Chairman and an executive Director of the Company, subject to and in accordance with the terms of the post-IPO share option scheme adopted by the Company on 23 June 2014 and became effective on 11 July 2014, be and is hereby approved, confirmed and ratified; and
- (b) any one Director or the Company Secretary of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider as necessary, expedient or desirable for the purpose to give full effect to such grant of options.”

By order of the Board

**China Aircraft Leasing Group Holdings Limited**

**POON HO MAN**

*Executive Director and Chief Executive Officer*

Hong Kong, 24 March 2020

*As at the date of this notice, (i) the Executive Directors are Mr. ZHAO Wei, Mr. POON Ho Man and Ms. LIU Wanting; (ii) the Non-executive Director is Mr. TANG Chi Chun; 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, JP.*

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## NOTICE OF EGM

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*Notes:*

1. The form of proxy for use at the EGM is enclosed with the circular dated 24 March 2020 to be despatched to shareholders of the Company (the “Shareholders”).
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or if he/she is the holder of two or more shares of the Company (the “Shares”), more than one proxy to attend and, subject to the provisions of the memorandum and articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
4. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding the EGM or adjourned meeting thereof.
5. In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 10 April 2020 to Friday, 17 April 2020 (both days inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 17 April 2020 are entitled to attend and vote at the EGM. In order to attend the EGM, any Shareholder whose transfer has not been registered shall lodge the transfer documents together with the relevant share certificate with Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by no later than 4:30 p.m. on Thursday, 9 April 2020.
6. Completion and return of the form of proxy or an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the EGM and/or any adjournment thereof, should he/she so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. Where there are joint registered Shareholders of any Share, any one of such joint Shareholders may vote, either in person or by proxy, in respect of such Shares as if he/she was solely entitled thereto, but if more than one of such joint Shareholders are present at the EGM, whether in person or by proxy, the joint registered Shareholder present whose name stands first on the register of members of the Company in respect of the Shares shall be accepted to the exclusion of the votes of the other registered Shareholders.
8. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all resolutions will be decided by way of poll.
9. In case the EGM is anticipated to be affected by black rainstorms or tropical cyclone with warning signal no. 8 or above, please refer to the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and the Company’s website at <http://www.calc.com.hk> for announcement on bad weather arrangement for the EGM.