
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer or registered institution 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 at once hand this circular and the accompanying election form (if any) to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. It is the responsibility of any Overseas Shareholder wishing to receive Scrip Shares for the 2020 Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required.

CALC

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)

**SCRIP DIVIDEND SCHEME
IN RELATION TO
THE 2020 FINAL DIVIDEND**

If you wish to receive your 2020 Final Dividend wholly or partly in the form of Scrip Shares instead of in cash, you should complete the Election Form in accordance with the instructions printed on it and return the completed Election Form to the Branch Share Registrar as soon as possible so as to enable it to be received no later than 4:30 p.m. on Friday, 18 June 2021.

1 June 2021

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TIMETABLE

The following is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable:

Last date cum-dividend Thursday, 13 May 2021

Ex-dividend date Friday, 14 May 2021

Latest time to lodge transfer documents

for registration with the Branch Share Registrar

in order to be entitled to the 2020 Final Dividend 4:30 p.m. on Monday,
17 May 2021

Closure of the Register of Members for the purpose of
determining Shareholders' respective entitlements

to the 2020 Final Dividend Tuesday, 18 May 2021
to Thursday, 20 May 2021
(both days inclusive)

Record Date Thursday, 20 May 2021

Latest time for return of the Election Forms

to the Branch Share Registrar (*Note 2*) 4:30 p.m. on Friday,
18 June 2021

Despatch of cheques for cash dividend and/or definitive

certificates for Scrip Shares at the risk of recipients Thursday, 8 July 2021

Expected first day of dealings in Scrip Shares Friday, 9 July 2021
(subject to the proper
receipt of definitive certificates for
the Scrip Shares by the relevant
Eligible Shareholders)

Notes:

1. All references to dates and time in this circular are to Hong Kong dates and time.
2. If there is a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by super typhoons, or a "black" rainstorm warning signal in force in Hong Kong at or at any time prior to 4:30 p.m. on Friday, 18 June 2021, the deadline for return of the Election Forms will be extended. Further information is set out in the section headed "Letter from the Board – Election Form" in this circular.

DEFINITIONS

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

| | |
|---------------------------|--|
| “2020 Final Dividend” | the final dividend of HK\$0.20 per Share for the year ended 31 December 2020 payable to the Shareholders whose names were recorded on the Register of Members at the close of business on the Record Date; |
| “Board” | the board of directors of the Company; |
| “Branch Share Registrar” | the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong; |
| “CCASS” | the Central Clearing and Settlement System; |
| “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; |
| “Director(s)” | the director(s) of the Company; |
| “Election Form(s)” | the form(s) of election in relation to the Scrip Dividend Scheme for the Eligible Shareholders to elect to receive the 2020 Final Dividend wholly or partly in Scrip Shares instead of in cash; |
| “Eligible Shareholder(s)” | Shareholder(s) whose name(s) was(were) recorded on the Register of Members at the close of business on the Record Date; |
| “Group” | the Company and its subsidiaries from time to time; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time; |
| “Macau” | the Macau Special Administrative Region of the PRC; |
| “Overseas Shareholder(s)” | Shareholder(s) whose address(es) as shown on the Register of Members at the close of business on the Record Date was (were) outside Hong Kong; |

DEFINITIONS

| | |
|-------------------------|---|
| “PRC” | the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau and Taiwan; |
| “Record Date” | 20 May 2021, being the date for determining Shareholders’ respective entitlements to the 2020 Final Dividend; |
| “Register of Members” | the register of members of the Company; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Scrip Dividend Scheme” | the scheme offering Eligible Shareholders the scrip dividend option whereby Eligible Shareholders may elect to receive the 2020 Final Dividend wholly or partly by the allotment of Scrip Shares credited as fully paid in lieu of cash dividend; |
| “Scrip Share(s)” | new Share(s) to be allotted, issued and credited as fully paid up under the Scrip Dividend Scheme; |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “Share(s)” | share(s) with par value of HK\$0.10 each in the share capital of the Company; |
| “Shareholder(s)” | holder(s) of the Shares; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “%” | per cent |

LETTER FROM THE BOARD

CALC

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:

Dr. 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, Umland House
Grand Cayman, KY1-1104
Cayman Islands

Non-executive Director:

Mr. TANG Chi Chun

Principal place of business in Hong Kong:

32nd Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

Independent Non-executive Directors:

Mr. FAN Yan Hok, Philip
Mr. NIEN Van Jin, Robert
Mr. CHEOK Albert Saychuan
Dr. TSE Hiu Tung, Sheldon

1 June 2021

To the Shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE 2020 FINAL DIVIDEND

INTRODUCTION

On 15 March 2021, the Board announced the audited consolidated results of the Group for the year ended 31 December 2020 and recommended the payment of the 2020 Final Dividend which is payable to the Shareholders whose names were recorded on the Register of Members at the close of business on the Record Date in cash with a scrip dividend option to the Eligible Shareholders.

At the annual general meeting held on 7 May 2021, the Shareholders approved the payment of the 2020 Final Dividend as recommended by the Board.

The purposes of this circular are to (i) provide information relating to the Scrip Dividend Scheme, and (ii) set out the relevant procedures and conditions and the action to be taken by the Eligible Shareholders in relation thereto if they wish to participate in the Scrip Dividend Scheme.

LETTER FROM THE BOARD

SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the 2020 Final Dividend is payable in cash to the Shareholders whose names were recorded on the Register of Members at the close of business on the Record Date, with a scrip dividend option to the Eligible Shareholders.

For the purpose of determining Shareholders' respective entitlements to the 2020 Final Dividend, the Register of Members was closed from Tuesday, 18 May 2021 to Thursday, 20 May 2021 (both days inclusive). The latest time by which transfers were accepted for registration for entitlement to the 2020 Final Dividend was 4:30 p.m. on Monday, 17 May 2021.

The Eligible Shareholders may elect to receive the 2020 Final Dividend in one of the following ways:

- (i) a cash dividend of HK\$0.20 per Share; or
- (ii) an allotment of such number of Scrip Shares credited as fully paid and having an aggregate market value (as calculated below) equal to, save for adjustment for fractions, the total amount of the 2020 Final Dividend which such Eligible Shareholders could otherwise elect to receive in cash (the "Maximum Entitlement"); or
- (iii) partly Scrip Shares not exceeding the Maximum Entitlement and the remainder in cash.

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the price of a Scrip Share will be HK\$6.242, which is the average closing price of one existing Share as quoted on the Stock Exchange for the five consecutive trading days from Friday, 14 May 2021 to Friday, 21 May 2021. Accordingly, an Eligible Shareholder electing for Scrip Shares in respect of the 2020 Final Dividend under options (ii) and (iii) above will receive such number of Scrip Shares as calculated below:

| | | | | |
|--|---|--|---|---|
| Number of Scrip Shares to be received (rounded down to the nearest whole number) | = | Number of Shares held on the Record Date for which election for Scrip Shares is made | x | <u>2020 Final Dividend per Share (i.e. HK\$0.20)</u> Average closing price of one existing Share for the five consecutive trading days up to and including 21 May 2021 (i.e. HK\$6.242) |
|--|---|--|---|---|

At the time the said price of a Scrip Share was determined, the Company had no information that was not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Scrip Shares if the information were publicly available.

The Scrip Shares will rank *pari passu* in all aspects with the existing issued Shares on the date of allotment and issue of the Scrip Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid (except for the 2020 Final Dividend).

LETTER FROM THE BOARD

The number of Scrip Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares under options (ii) and (iii) above will be disregarded and the benefit thereof will accrue to the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 720,004,837 Shares in issue as at the close of business on the Record Date, if no election for the Scrip Shares is received, the total cash dividend payable by the Company will be approximately HK\$144 million. If all Eligible Shareholders elect to receive their entitlements to the 2020 Final Dividend in form of Scrip Shares, the maximum number of Scrip Shares to be issued will be 23,069,683 Shares, representing approximately 3.2% of the Shares in issue as at the close of business on the Record Date and approximately 3.1% of the then issued share capital of the Company as enlarged by the issue of the Scrip Shares.

As at the close of business on the Record Date, there were in aggregate 10,000,000 outstanding share options granted pursuant to the Company's share option scheme adopted on 23 June 2014. Save as disclosed above, there were no outstanding share options, warrants, securities which are convertible into Shares issued by the Company as at the close of business on the Record Date.

Eligible Shareholders should note that the Scrip Shares may give rise to notification requirements under Part XV of the SFO. Eligible Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the Scrip Shares or as to their taxation position are recommended to consult their own professional advisers.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Eligible Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that any cash which would otherwise have been paid to the Eligible Shareholders who elect to receive the Scrip Shares in lieu of the cash dividend, either in whole or in part, will be retained for use as working capital by the Company.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares to be allotted and issued in respect of the 2020 Final Dividend.

If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective and the Election Forms will be void. The 2020 Final Dividend will then be paid wholly in cash.

LETTER FROM THE BOARD

Even if it is assumed that (i) China Everbright Limited, which as at the Record Date held 267,225,817 Shares (representing approximately 37.11% of the Shares in issue), elects to receive the 2020 Final Dividend wholly in Scrip Shares while all other Eligible Shareholders elect to or are deemed to have elected to receive the 2020 Final Dividend wholly in cash; or (ii) Mr. POON Ho Man, our Executive Director and Chief Executive Officer, who as at the Record Date had personal interest in 8,797,526 Shares (representing approximately 1.22% of the Shares in issue) and held 201,023,453 Shares (representing approximately 27.92% of the Shares in issue) jointly with Ms. Christina NG, elects to receive the 2020 Final Dividend wholly in Scrip Shares while all other Eligible Shareholders elect to or are deemed to have elected to receive the 2020 Final Dividend wholly in cash, no obligations on the part of China Everbright Limited or Mr. POON Ho Man to make a general offer for the Shares under The Hong Kong Code on Takeovers and Mergers would arise and hence no whitewash waiver application would be made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director.

ELECTION FORM

An Election Form for Eligible Shareholders to elect to receive the 2020 Final Dividend wholly or partly in Scrip Shares in lieu of cash dividend is enclosed with this circular. **If you wish to receive the 2020 Final Dividend wholly in cash, you do not need to take any action.**

If you elect to receive the 2020 Final Dividend wholly in Scrip Shares, or partly in cash and partly in Scrip Shares, you should complete the enclosed Election Form. If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive Scrip Shares in lieu of the cash dividend, or if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, then in either case, you will be deemed to have exercised your election to receive Scrip Shares only in respect of all the Shares registered in your name on the Record Date.

The Election Forms should be completed in accordance with the instructions printed thereon and returned to the Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong so as to be received no later than 4:30 p.m. on Friday, 18 June 2021. Late submission of the Election Forms will not be accepted. Failure to complete and return the signed Election Forms in accordance with the instructions printed thereon will result in the relevant Shareholder's 2020 Final Dividend being paid wholly in the form of cash.

No acknowledgement of receipt of the Election Forms will be issued. Elections in respect of the 2020 Final Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant Election Forms are signed and lodged with the Branch Share Registrar.

The latest time for return of the Election Forms will be extended, as the case may be, in accordance with (a) or (b) below if a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by super typhoons, or a "black" rainstorm warning signal is in force in Hong Kong:

- (a) at any time before 12:00 noon and no longer in force after 12:00 noon on 18 June 2021. The latest time for return of the Election Forms will be extended to 5:00 p.m. on the same business day; or

LETTER FROM THE BOARD

- (b) at any time between 12:00 noon and 4:30 p.m. on 18 June 2021. The latest time for return of the Election Forms will be extended to 4:30 p.m. on the next business day when none of the above warning signals is in force at any time between 9:00 a.m. and 4:30 p.m.

If you are a non-registered Shareholder, i.e. your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive the Election Form. If you wish to receive Scrip Shares instead of cash, in whole or in part, in respect of the 2020 Final Dividend, please contact your intermediary or nominee directly.

OVERSEAS SHAREHOLDERS

This circular and the Election Form will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the Election Form for information only.

Based on the Register of Members as at the Record Date, there was 1 Overseas Shareholder with registered address in the PRC.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries with its legal advisers on the laws of the PRC in relation to the extension of the Scrip Dividend Scheme to Overseas Shareholder with registered address in the PRC. Based on the advice of the legal advisers in the PRC, there is no explicit regulatory restrictions or prohibitions with respect to receipt of the Scrip Shares by the Overseas Shareholder with registered address in the PRC, but it is the responsibility of such Overseas Shareholder receiving the Scrip Shares to comply with any filing, registration or other legal requirements, governmental or regulatory procedures or any other similar formalities in the PRC. Accordingly, the Board is of the view that it is expedient to include the Overseas Shareholder having registered address in the PRC in the Scrip Dividend Scheme. As at the Record Date, there was 1 such Overseas Shareholder holding 266,500 Shares, representing approximately 0.04% of the Shares in issue.

The Scrip Dividend Scheme is open to all Eligible Shareholders. For the avoidance of doubt, the Scrip Shares are not being offered to the public (other than the Eligible Shareholders) and the Election Forms are non-transferable.

Notwithstanding the enquiries made by the Company with its legal advisers, it is the responsibility of any Overseas Shareholder wishing to receive Scrip Shares for the 2020 Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required. Overseas Shareholders who are in any doubt as to their positions should consult their own professional advisers.

LETTER FROM THE BOARD

STOCK EXCHANGE LISTING, CLEARING AND SETTLEMENT

Application has been or will be made to the Stock Exchange for listing of, and permission to deal in, the Scrip Shares. It is expected that the cheques for cash dividends and/or the definitive certificates for the Scrip Shares (in case the Eligible Shareholders have elected to receive part or all of their 2020 Final Dividend in the form of Scrip Shares) will be posted to the respective Shareholders at their own risk on Thursday, 8 July 2021. Dealings in the Scrip Shares on the Stock Exchange are expected to commence on Friday, 9 July 2021, subject to the proper receipt of the definitive certificates for the Scrip Shares by the relevant Eligible Shareholders.

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Scrip Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or registered institution in securities or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. On 15 August 2016, the Group issued US\$300 million 4.9% bonds due 2021. On 28 February 2017, the Group issued US\$300 million 4.7% bonds due 2022 and US\$200 million 5.5% bonds due 2024. All of the above bonds are listed on the Stock Exchange. Please refer to the announcements of the Company dated 15 August 2016 and 28 February 2017 respectively. As at the year ended 31 December 2020, the total carrying amount of the above bonds was US\$771,830,000.

On 10 June 2019, the Group issued RMB1.0 billion 5.2% bonds due 2022 in the PRC. The PRC bonds are listed on the Shanghai Stock Exchange. Please refer to the announcement of the Company dated 11 June 2019.

On 3 June 2020, the Group issued one-year RMB300 million 4% debentures in the PRC. The PRC debentures are listed on the China Inter-bank Bond Market. Please refer to the announcement of the Company dated 3 June 2020.

Save as disclosed above, as at the Record Date, no equity or debt securities of the Company are listed, or dealt in, on any other stock exchange, nor is listing, or permission to deal in, on any other exchange being, or proposed to be, sought.

Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive part or all of their 2020 Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 500 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

LETTER FROM THE BOARD

GENERAL

Shareholders who are trustees are recommended to seek professional advice as to whether their election to receive the Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Whether or not it is to your advantage to receive cash or Scrip Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting from that decision are your responsibility. If you are in any doubt as to what to do, you are recommended to consult your own professional advisers.

Yours faithfully,

For and on behalf of the Board

China Aircraft Leasing Group Holdings Limited

POON HO MAN

Executive Director and Chief Executive Officer