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BOC AVIATION LIMITED

中銀航空租賃有限公司*

(Incorporated in the Republic of Singapore with limited liability)

Stock code: 2588

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE SALE OF
FIFTEEN AIRCRAFT**

The Board is pleased to announce that an agreement for the sale of fifteen aircraft has been entered into with a third-party buyer. The sales are expected to close during 2018.

1. Introduction

The Board is pleased to announce that the Company has entered into the Agreement with the Buyer, a third party principally engaged in aircraft leasing business, pursuant to which the Company has agreed to sell the Aircraft to the Buyer and to concurrently transfer the leases in respect of the Aircraft to the Buyer (the “**Transaction**”).

2. Details of the Agreement

(a) The Aircraft

Five A320 family aircraft, nine 737 family aircraft and one 777 family aircraft leased to eight different airlines (the “**Aircraft**”).

All fifteen aircraft sales are scheduled to close in 2018.

* *For identification purpose only*

(b) Consideration

The aggregate current market appraised value of the Aircraft (as an average of valuations obtained from three independent appraisers) is approximately US\$551 million. The consideration for the Transaction was established on an arm's length basis, taking into account the terms and conditions of the Transaction as a whole and with reference to market conditions.

The aggregate consideration, the aggregate net book value and the aggregate gain or loss on the sale of the Aircraft are commercially sensitive information as is the aggregate net profits (both before and after tax) attributable to the Aircraft.

The gain or loss from the sale of each Aircraft will be disclosed in the Company's annual or interim financial statements (as applicable) for the period in which the sale of such Aircraft is closed, on an aggregated basis together with all other aircraft sold by the Company during such period.

The Company has therefore applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) Rule 14.58(4) of the Listing Rules requiring disclosure of the aggregate value of the consideration of the Aircraft, (ii) Rule 14.58(6) of the Listing Rules requiring disclosure of the net book value of the Aircraft, (iii) Rule 14.58(7) of the Listing Rules requiring disclosure of the net profits attributable to the Aircraft for the two financial years immediately preceding the Transaction, and (iv) Rule 14.60(3)(a) of the Listing Rules requiring disclosure of details of the gain or loss expected to accrue to the Company from the Transaction and the basis for calculating such gain or loss.

(c) Payment and delivery terms

The consideration for the sale of each Aircraft is payable in cash upon completion of the sale of such Aircraft.

3. Reasons for, and benefits of, the Transaction

The Directors are of the view that the Transaction is in line with the strategy of the Group to sell our aircraft to mitigate risks in the Group's aircraft portfolio, to generate gains on sale and to reinvest the sale proceeds in new aircraft investments. The Transaction is conducted in the ordinary course of business of the Group.

The Directors confirm that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole and the Transaction will have no material adverse impact on the operations and financial position of the Group.

4. **Use of proceeds**

The proceeds of the Transaction will be used by the Company to fund future aircraft investments and for general corporate purposes.

5. **Information about the Buyer**

The Buyer is principally engaged in aircraft leasing business.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Buyer and its ultimate beneficial owner are third parties independent of the Company and of connected persons of the Company.

6. **Information about the Company**

The Company is a leading global aircraft operating leasing company with a fleet of 488 aircraft owned, managed or on order as at 31 March 2018.

7. **Listing Rules implications of the Transaction**

As one of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the Transaction is more than 5% but all relevant percentage ratios are less than 25%, the Transaction constitutes a discloseable transaction for the Company, and is therefore subject to only the notification and announcement requirements under the Listing Rules.

8. **Definitions**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the aircraft sale and purchase agreement dated 22 May 2018 between the Company as seller and the Buyer as purchaser in respect of the Aircraft
“Board”	the board of Directors
“Buyer”	a third party aircraft leasing company including, where the context permits, its subsidiaries and affiliates
“Company”	BOC Aviation Limited, a company incorporated under the laws of Singapore with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
BOC Aviation Limited
Zhang Yanqiu, Juliana
Company Secretary

Hong Kong, 23 May 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Liu Qiang as Chairman and Non-executive Director, Mr. Robert James Martin and Mr. Wang Jian as Executive Directors, Mr. Gao Zhaogang, Mr. Li Mang, Mr. Liu Chenggang and Ms. Zhu Lin as Non-executive Directors and Mr. Dai Deming, Mr. Fu Shula, Mr. Antony Nigel Tyler and Dr. Yeung Yin Bernard as Independent Non-executive Directors.