

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

ADOPTION OF RESTRICTED SHARE UNIT LONG TERM INCENTIVE PLAN

The Board is pleased to announce that the Company has adopted a restricted share unit plan as part of its long term incentive plan for employees. The new plan will cover the five Financial Years of the Company from FY 2017 to FY 2021 (inclusive).

1. Introduction

The Company has adopted the Plan on the Adoption Date.

The Plan is a discretionary scheme and does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. The Plan will not involve any issue of new Shares.

A summary of the Plan is set out in this announcement.

2. Purpose and Objective

The purpose of the Plan is to attract skilled and experienced management and professional staff, to motivate and reward them to maximise profit and long term investment returns for Shareholders by providing them with the opportunity to acquire equity interests in the Company, thereby aligning the respective interests of Eligible Participants and Shareholders.

3. Duration

The Plan is effective from the Adoption Date and will govern Awards made by the Company in respect of the five Financial Years of the Company from FY

** For identification purpose only*

2017 to FY 2021 (inclusive). Each Award will vest in December of the third year after the end of the Financial Year for which it was granted. The Plan will terminate when all Awards have vested and the relevant Shares have been transferred to the Grantees in accordance with the Plan Rules.

4. RSU Plan Amount and Purchase of Shares

For each Financial Year, the Board will approve the RSU Plan Amount, which will represent 50% of the bonus pool under the Company's long term incentive plan. The RSU Plan Amount will be paid to the Trustee which will use the funds to purchase Shares from the market. All trading costs will be paid out of the RSU Plan Amount.

Such Shares and any accumulated dividends thereon will be held on trust for the Grantees until they vest in accordance with the Plan Rules.

The bonus pool amount is derived from the Company's profit for the relevant Financial Year. Accordingly, neither the RSU Plan Amount nor the number of Shares that can be purchased by the Trustee is subject to any cap.

5. Grant of Awards and Vesting

On and subject to the terms of the Plan and the Listing Rules, Awards will be granted to Eligible Participants as determined by the Company.

Subject to the terms and conditions of the Plan and the fulfilment of all conditions to the vesting of the Award, the Shares underlying each Award will vest in the relevant Grantee in December of the third year after the end of the Financial Year for which the grant was made.

Upon vesting, an Award will be satisfied by the Trustee transferring the Shares underlying that Award to the Grantee. In certain limited circumstances described in the Plan Rules, an Award may be satisfied by the Trustee selling the Shares underlying that Award and transferring the net sale proceeds to the Grantee.

6. Lapse

If an event resulting in the lapse of an Award (as described in the Plan Rules) occurs prior to the Vesting Date, the relevant Award will lapse. The Shares underlying that Award will continue to be held by the Trustee and will be used to satisfy future Awards in accordance with the Plan Rules.

7. **Restrictions**

The Company may not grant any Awards at any time when it is in possession of inside information until it has announced such information.

In particular, it may not grant any Award during the period commencing one month immediately before the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

Where a grant of an Award is to a Director, no Award may be granted on any day on which the financial results of the Company are published and during the period of:

- (c) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant Financial Year up to the publication date of the results; and
- (d) 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

8. **Termination**

The Company may terminate the Plan at any time and in such event, no further Awards may be offered or granted, but in all other respects the terms of the Plan will remain in full force and effect in respect of Awards which have already been granted and which remain unvested or which have vested but not yet been satisfied immediately prior to the termination of the Plan.

9. **Plan Costs**

The Company will be responsible for all costs of establishing and maintaining the Plan, including all fees of the Trustee.

10. Definitions

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

“Adoption Date”	18 December 2017
“Award”	an award granted under the Plan in the form of an RSU
“Board”	the board of Directors
“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
“Eligible Participant”	means any employee (including any executive Director) of the Company or any of its subsidiaries as at the date of acceptance of an Award
“Financial Year” or “FY”	each annual financial year of the Company running from 1 January to 31 December
“Grantee”	any Eligible Participant who accepts an Award in accordance with the terms of the Plan or, where the context so permits, a person entitled to any such Award in consequence of the death or bankruptcy of the original Grantee or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Plan”	the restricted share unit long term incentive plan adopted by the Company on the Adoption Date, as may be amended from time to time in accordance with the provisions therein
“Plan Rules”	the rules governing the Plan adopted by the Company on the Adoption Date

“RSU”	a restricted share unit, which is a contingent right to receive Shares, awarded pursuant to the Plan
“RSU Plan Amount”	for each Financial Year, the amount in Hong Kong dollars that is the equivalent (at the actual exchange rate used by the Company for the purchase of such Hong Kong dollars) of the US dollar amount approved by the Board for allocation to the Plan
“Shareholder(s)”	The shareholders of the Company
“Shares”	fully paid ordinary shares in the share capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	Computershare Hong Kong Trustees Limited, a company registered in Hong Kong

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

Hong Kong, 31 January 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chen Siqing 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.