
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 a 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 BOC Aviation Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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

**REVISED ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A notice convening the extraordinary general meeting of BOC Aviation Limited to be held at 8 Shenton Way, #18-01, Singapore 068811 on Tuesday, 11 June 2019 at 9:30 a.m. (registration will begin at 9:15 a.m.) is set out on pages 28 to 29 of this circular.

Whether or not you are able to attend the extraordinary general meeting, you are advised to read the notice and to complete and return the accompanying proxy form, in accordance with the instructions printed thereon, to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the extraordinary general meeting (or any adjournment thereof) if you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise.

“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited (a corporation licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the Proposed Annual Caps
“Board”	the board of Directors
“BOC” or “Bank of China”	Bank of China Limited (中國銀行股份有限公司), a joint stock limited company incorporated in the PRC, the H-shares and A-shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively, and the ultimate controlling shareholder of the Company
“BOC Group”	BOC and its subsidiaries (excluding the Group)
“BOCHK”	Bank of China (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on 16 October 1964, and a wholly-owned subsidiary of the BOCHK Holdings
“BOCHK Holdings”	BOC Hong Kong (Holdings) Limited (中銀香港(控股)有限公司), a company incorporated in Hong Kong with limited liability on 12 September 2001, the shares of which are listed on the Stock Exchange and a subsidiary of BOC
“BOCHK Holdings Group”	BOCHK Holdings and its subsidiaries
“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
“Continuing Connected Transactions”	bank deposits placed by the Group with the BOC Group under the BOC Deposit Framework Agreement and/or the BOCHK Deposit Framework Agreement
“Directors”	the directors of the Company

DEFINITIONS

“EGM” or “Meeting”	the extraordinary general meeting of the Company to be held at 8 Shenton Way, #18-01, Singapore 068811 on Tuesday, 11 June 2019 at 9:30 a.m., to consider and, if appropriate, to approve the resolution contained in the notice of extraordinary general meeting set out on pages 28 to 29 of this circular, or any adjournment thereof
“Group”	the Company and its subsidiaries
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the relevant resolutions at the EGM
“Independent Board Committee”	a committee of the Board comprising all four independent non-executive Directors established by the Board to consider the Continuing Connected Transactions and the Proposed Annual Caps and to advise the Independent Shareholders thereof
“IPO”	the initial public offering of the Company, the details of which are set out in the Prospectus
“Latest Practicable Date”	29 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Date”	1 June 2016, the date on which the Shares are first listed and from which dealings in the Shares are permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Proposed Annual Caps”	the annual caps for the deposits to be placed by the Group with the BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement or with the BOCHK Holdings Group pursuant to the BOCHK Deposit Framework Agreement, as the case may be, being US\$500 million for each of the three years ending 31 December 2019, 2020 and 2021
“Prospectus”	the prospectus issued by the Company on 19 May 2016
“RSU”	the restricted share units granted under the RSU Plan
“RSU Plan”	the BOC Aviation Limited Restricted Share Unit Long Term Incentive Plan which was adopted by the Company in December 2017, as may be amended from time to time in accordance with the provisions therein

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD



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

Chairman and Non-executive Director:

SUN Yu

Executive Directors:

Robert James MARTIN

(Managing Director & Chief Executive Officer)

WANG Jian

(Vice Chairman & Deputy Managing Director)

Non-executive Directors:

LI Mang

LIU Chenggang

WANG Zhiheng

ZHU Lin

Independent Non-executive Directors:

DAI Deming

FU Shula

Antony Nigel TYLER

YEUNG Yin Bernard

**Registered Office and Principal Place of
Business in Singapore:**

8 Shenton Way, #18-01

Singapore 068811

Place of Business in Hong Kong:

Level 54, Hopewell Centre

183 Queen's Road East, Hong Kong

9 May 2019

To the Shareholders

Dear Sir or Madam

**REVISED ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

INTRODUCTION

Reference is made to the continuing connected transactions in relation to the bank deposits placed by the Group with the BOC Group as disclosed in the Prospectus and the Company's announcements dated 20 February 2019, 25 February 2019 and 29 April 2019.

* *For identification purpose only*

LETTER FROM THE BOARD

The Group has bank deposit accounts with certain branches of the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group in the ordinary and usual course of the business and on normal commercial terms. On 12 May 2016 before the IPO, the Company entered into (i) a framework agreement with BOC (the “**BOC Deposit Framework Agreement**”) to govern all existing and future bank deposits with the BOC Group (other than the BOCHK Holdings Group), and (ii) a framework agreement with BOCHK Holdings (the “**BOCHK Deposit Framework Agreement**”) to govern all existing and future bank deposits with the BOCHK Holdings Group. Each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expired on 31 December 2018.

The renewal of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement was for a term of three years with effect from 1 January 2019, pursuant to which the Group may separately place deposits with the BOC Group (other than BOCHK Holdings Group) and the BOCHK Holdings Group during the three years ending 31 December 2021.

With reference to the Company’s announcements dated 20 February 2019 and 25 February 2019 (i) the annual caps for the deposits to be placed with the BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 will each not exceed US\$125 million and (ii) the annual caps for the deposits to be placed with the BOCHK Holdings Group pursuant to the BOCHK Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 will each not exceed US\$125 million.

On 29 April 2019, the Company announced that it proposed to further revise the annual caps for the above transactions such that the annual caps for the deposits to be placed with the BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement or the BOCHK Holdings Group pursuant to the BOCHK Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 will each not exceed US\$500 million.

The main purposes of this circular are:

- (a) to provide you with further details of the Proposed Annual Caps for the Continuing Connected Transactions;
- (b) to set out the letter from Anglo Chinese to the Independent Board Committee and the Independent Shareholders containing its advice on the Proposed Annual Caps for the Continuing Connected Transactions; and
- (c) to set out the recommendation of the Independent Board Committee in respect of the Proposed Annual Caps for the Continuing Connected Transactions.

LETTER FROM THE BOARD

PARTICULARS OF THE CONTINUING CONNECTED TRANSACTIONS

Details of the Continuing Connected Transactions and the Proposed Annual Caps are set out below.

The BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement

1. Introduction

The Group has fixed deposit accounts with the Singapore and Tianjin branches of BOC in the ordinary and usual course of its business and on normal commercial terms. The Company entered into the BOC Deposit Framework Agreement on 12 May 2016 to govern all existing and future bank deposits with the BOC Group (other than the BOCHK Holdings Group) with effect from the Listing Date.

The Group also has bank deposit accounts with BOCHK in the ordinary and usual course of its business and on normal commercial terms. The Company entered into the BOCHK Deposit Framework Agreement on 12 May 2016 to govern all existing and future bank deposits with the BOCHK Holdings Group with effect from the Listing Date.

The BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement provide that all deposits of funds with the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, as the case may be, must be (i) in the ordinary and usual course of business of the Group and the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, as the case may be, (ii) on an arm's length basis, (iii) on normal commercial terms and terms which are no less favourable than (a) those available to the Group from independent third parties and (b) those offered by the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, as the case may be, to independent third parties for similar or comparable deposits and (iv) in compliance with, amongst other things, the Listing Rules and applicable laws.

Each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expired on 31 December 2018 and is automatically renewable for successive periods of three years thereafter, subject to compliance with the then applicable provisions of the Listing Rules, unless terminated earlier by not less than six months' prior written notice or otherwise in accordance with the terms of the BOC Deposit Framework Agreement or the BOCHK Deposit Framework Agreement, as the case may be.

The renewal of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement was for a term of three years with effect from 1 January 2019, pursuant to which the Group may separately place deposits with the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group during the three years ending 31 December 2021.

2. Historical annual caps and transaction amounts

As stated in the Prospectus, the maximum daily balance of deposits placed by the Group with each of the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, including interest accrued thereon, for each of the three years ending 31 December 2016, 2017 and 2018 shall not exceed US\$500 million.

LETTER FROM THE BOARD

The maximum daily balance of deposits placed by the Group with the BOC Group (other than the BOCHK Holdings Group) (including the interest accrued thereon) for the three years ended 31 December 2016, 2017 and 2018 were approximately US\$497 million, US\$499 million and US\$145 million, respectively.

The maximum daily balance of deposits placed by the Group with the BOCHK Holdings Group (including the interest accrued thereon) for the three years ended 31 December 2016, 2017 and 2018 were approximately US\$335 million, US\$296 million and US\$146 million, respectively.

None of the actual transaction amounts during the relevant periods exceeded the annual cap as set out in the Prospectus.

3. **Current annual caps and transaction amounts**

With reference to the Company's announcements dated 20 February 2019 and 25 February 2019, the annual caps for the deposits to be placed with the BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement or the BOCHK Holdings Group pursuant to the BOCHK Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 will each not exceed US\$125 million (the "**Current Annual Caps**").

Based on the Current Annual Caps and with reference to the market capitalisation of the Company at the time when the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement were automatically renewed on 1 January 2019, the highest applicable percentage ratio in respect of the annual caps for the transactions, on an aggregated basis, is more than 0.1% but less than 5% of applicable tests. Therefore, the continuing connected transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The Company shall apply the Current Annual Caps in the interim until the Proposed Annual Caps are approved at the EGM.

None of the actual transaction amounts from 1 January 2019 to the Latest Practicable Date exceeded the annual caps as stated in the Company's announcements of 20 February 2019 and 25 February 2019.

4. **Proposed Annual Caps for future transaction amounts**

The Company has proposed that the maximum daily balance of deposits placed by the Group with the BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 will each not exceed US\$500 million.

LETTER FROM THE BOARD

These caps were calculated by reference to (i) the maximum historical daily balance of the deposits of the Group with the BOC Group and other third party financial institutions (including interest accrued thereon), (ii) the expected growth of the Group's business and the financing needs of the Group over the next three years which are expected to result in an increase in the Group's cash balance, (iii) the existing demand for deposit services of the Group and (iv) the cash amounts which the Group would receive from future sales of aircraft.

The Company has proposed that the maximum daily balance of deposits placed by the Group with the BOCHK Group Holdings Group pursuant to the BOCHK Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 will each not exceed US\$500 million.

These caps were calculated by reference to (i) the maximum historical daily balance of the deposits of the Group with the BOCHK Holdings Group and other third party financial institutions (including interest accrued thereon), (ii) the expected growth of the Group's business and the financing needs of the Group over the next three years which are expected to result in an increase in the Group's cash balance, (iii) the existing demand for deposit services of the Group and (iv) the cash amounts which the Group would receive from future sales of aircraft.

REASONS AND BASIS FOR THE PROPOSED ANNUAL CAPS

The Group deposits funds with a number of financial institutions in the ordinary and usual course of its business. Placing deposits with the BOC Group on normal commercial terms could diversify the business relationships with commercial banks. Each of BOC and BOCHK Holdings is a licensed and reputable commercial bank and deposit taking is part of its ordinary and usual course of business.

In view of the historical maximum daily balance of deposits placed by the Group with the BOC Group during the three years ended 31 December 2018 and taking into account the expected growth of the Group's business and the financing needs of the Group over the next three years which are expected to result in an increase in the Group's cash balance and the cash amounts which the Group would receive from future sales of aircraft from time to time, the Directors consider that it would be in the best interests of the Company and the Shareholders as a whole to increase the annual caps under the BOC Deposit Framework Agreement and BOCHK Deposit Framework Agreement. This will allow the Group to have the flexibility and agility to place deposits with the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group, provided the terms are competitive and in the best interests of the Company and the Shareholders.

INTERNAL CONTROL PROCEDURES

The Company has a system to monitor its connected transactions and the renewal of connected transactions, which includes maintaining and regularly updating the list of connected persons of the Company, maintaining a list of connected transactions including details in relation to their expiration dates, checking the contracting party in each transaction to confirm whether it is a connected person,

LETTER FROM THE BOARD

monitoring the value of transactions that are identified as connected transactions (on an aggregated basis where applicable) against the thresholds for triggering disclosure and shareholder approval requirements under the Listing Rules and ensuring that relevant business departments are regularly updated in relation to the renewal of connected transactions.

In relation to deposits under the BOC Deposit Framework Agreement or the BOCHK Deposit Framework Agreement, the Company has a system to ensure that the maximum daily balance of deposits (including the interest accrued thereon) does not exceed the relevant annual cap amount and regularly reviews the terms (including the interest rates) offered by the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group for the deposit of funds to ensure that such terms are no less favourable than those offered to it by independent financial institutions. In this regard, the Treasury department has a system of obtaining at least three competitive quotes before placing a deposit with the institution providing the best quote.

LISTING RULES REQUIREMENTS

As at the Latest Practicable Date, (i) as BOC is indirectly interested in 70% of the Company's Shares, BOC is a connected person of the Company by virtue of being a controlling shareholder of the Company, and (ii) as BOCHK Holdings is a subsidiary of BOC, BOCHK Holdings is a connected person of the Company by virtue of being an associate of the Company's connected person. Accordingly, transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement are of the same nature and are entered into by the Group with parties who are connected with one another, they are required to be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Annual Caps would exceed 5% of applicable tests, independent shareholders' approval is required under Chapter 14A of the Listing Rules.

The Board has established the Independent Board Committee comprising all four independent non-executive Directors to review the Continuing Connected Transactions and the Proposed Annual Caps and to give recommendations to the Independent Shareholders in relation to the Proposed Annual Caps. The Company has appointed Anglo Chinese as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders for the purpose of considering whether the Continuing Connected Transactions are entered into in the ordinary and usual course of the Group's business, on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and whether the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Anglo Chinese has confirmed to the Independent Board Committee that, in its opinion, the Continuing Connected Transactions are entered into in the ordinary and usual course of the Group's business, on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and that the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. On the basis of Anglo Chinese's advice

LETTER FROM THE BOARD

and their own review, the Directors (including the independent non-executive Directors) have confirmed that they are satisfied that the Continuing Connected Transactions are entered into in the ordinary and usual course of the Group's business, on normal commercial terms or better, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and that the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder who has a material interest in the Continuing Connected Transactions must abstain from voting on the resolution at the EGM. BOC and its associates, who are interested in 485,807,334 Shares, representing 70% of the total number of issued shares in the Company as at the Latest Practicable Date (as recorded in the register maintained by the Company pursuant to section 336 of the SFO), are therefore required to abstain from voting on the resolution in respect of the Proposed Annual Caps for the Continuing Connected Transactions at the EGM.

Executive Director Mr. Wang Jian and the non-executive Directors of the Company, namely Mr. Sun Yu, Mr. Li Mang, Mr. Liu Chenggang, Mr. Wang Zhiheng and Ms. Zhu Lin, are employees of BOC, and accordingly are required to abstain from voting on the Board resolutions in respect of the Continuing Connected Transactions and the Proposed Annual Caps.

EXTRAORDINARY GENERAL MEETING

The EGM will be held on Tuesday, 11 June 2019. A notice convening the EGM is set out on pages 28 to 29 of this circular.

INFORMATION ON THE COMPANY

BOC Aviation Limited is a leading global aircraft operating leasing company with a fleet of 511 aircraft owned, managed or on order as at 31 December 2018.

INFORMATION ON THE BOC GROUP

Bank of China Limited is a joint stock limited company incorporated in the PRC, the H-shares and A-shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively. The BOC Group provides a range of banking and related financial services, including commercial banking, investment banking, insurance, direct investment and investment management, fund management and aircraft leasing business. Its core business is commercial banking.

INFORMATION ON BOCHK HOLDINGS

BOC Hong Kong (Holdings) Limited is a company incorporated in Hong Kong with limited liability on 12 September 2001, the shares of which are listed on the Stock Exchange and is a subsidiary of BOC. The principal activities of the BOCHK Holdings Group are the provision of banking and related financial services. BOCHK is wholly owned by BOCHK Holdings and is its principal operating subsidiary.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the Continuing Connected Transactions are entered into in the ordinary and usual course of the Group's business, on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and that the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Annual Caps in relation to the Continuing Connected Transactions.

ADDITIONAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Board Committee set out on pages 12 to 13 of this circular, which contains its recommendation to the Independent Shareholders, and the letter from Anglo Chinese set out on pages 14 to 24 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders.

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
On behalf of the Board
BOC Aviation Limited
Sun Yu
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

9 May 2019

To the Independent Shareholders

Dear Sir or Madam,

**REVISED ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular dated 9 May 2019 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to advise you as to whether, in our opinion, so far as the Independent Shareholders are concerned, the Continuing Connected Transactions are entered into in the ordinary and usual course of the Group’s business, on normal commercial terms, are fair and reasonable, are in the interests of the Company and the Shareholders as a whole, and that the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Anglo Chinese has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the Proposed Annual Caps.

We wish to draw your attention to the letter from the Board set out on pages 4 to 11 of the Circular, and the letter from Anglo Chinese to the Independent Board Committee and Independent Shareholders set out on pages 14 to 24 of the Circular which contains its opinion in respect of the Continuing Connected Transactions and the Proposed Annual Caps.

Having taken into account (i) the Continuing Connected Transactions and the Proposed Annual Caps and (ii) the advice of Anglo Chinese and its recommendation in relation thereto, we believe that the Continuing Connected Transactions are entered into in the ordinary and usual course of the Group’s business, on normal commercial terms, are fair and reasonable, are in the interests of the Company and the Shareholders as a whole; and that the Proposed Annual Caps are fair and reasonable

** For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that you vote in favour of the resolution to be proposed at the EGM to approve the Proposed Annual Caps in relation to the Continuing Connected Transactions.

Yours faithfully,
Dai Deming
Fu Shula
Antony Nigel Tyler
Yeung Yin Bernard
Independent Board Committee

LETTER FROM ANGLO CHINESE

The following is the text of the letter from Anglo Chinese to the Independent Board Committee and the Independent Shareholders, prepared for the purpose of inclusion in this circular.

ANGLO CHINESE
CORPORATE FINANCE, LIMITED
40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong
www.anglochinesegroup.com

財務顧問有限公司
英高

*To the Independent Board Committee
and the Independent Shareholders*

9 May 2019

Dear Sirs,

REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the Proposed Annual Caps for each of the three years ending 31 December 2019, 2020 and 2021, details of which, amongst other things, are set out in the letter from the Board contained in the circular of the Company dated 9 May 2019 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context requires otherwise.

As at the Latest Practicable Date, (i) as BOC is indirectly interested in 70% of the Company’s Shares, BOC is a connected person of the Company by virtue of being a controlling shareholder of the Company, and (ii) as BOCHK Holdings is a subsidiary of BOC, BOCHK Holdings is a connected person of the Company by virtue of being an associate of the Company’s connected person. Accordingly, transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement are of the same nature and are entered into by the Group with parties who are connected with one another, they are required to be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the highest applicable percentage ratios in respect of the Proposed Annual Caps would exceed 5% of applicable tests, independent shareholders’ approval is required under Chapter 14A of the Listing Rules.

LETTER FROM ANGLO CHINESE

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Proposed Annual Caps in relation to Continuing Connected Transactions for each of the three years ending 31 December 2019, 2020 and 2021.

Votes of the Independent Shareholders at the EGM shall be taken by poll. As BOC and its associates have a material interest in the Continuing Connected Transactions, they will abstain from voting at the EGM. Executive Director Mr. Wang Jian and the non-executive Directors of the Company, namely Mr. Sun Yu, Mr. Li Mang, Mr. Liu Chenggang, Mr. Wang Zhiheng and Ms. Zhu Lin are employees of BOC, and accordingly have abstained from voting on the Board resolutions in respect of the Continuing Connected Transactions and the Proposed Annual Caps.

BASIS OF OUR OPINION

In formulating our opinion, we consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules including the notes thereto to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the information, statements, opinion and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so at the date hereof. We have also assumed that all statements of belief, opinion and intention of the Directors as set out in the letter from the Board contained in the Circular were reasonably made after due and careful inquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular.

The Directors confirmed that they have provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinion. We have no reason to suspect that any material facts or information, which is known to the Company, have been omitted or withheld from the information supplied or opinions expressed in the Circular nor to doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, carried out any independent verification on the information provided to us by the Directors, nor have we conducted any form of independent in-depth investigation into the business and affairs or the prospects of the Group, the BOC Group, the BOCHK Holdings Group or any of their respective subsidiaries or associates.

Apart from normal professional fees for our services to the Company in connection with this appointment, no arrangement exists whereby Anglo Chinese will receive any benefits from the Company or any of its associates. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. In the two years prior to the Latest Practicable Date, we have not previously acted as the independent financial adviser to the Company's other transactions. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM ANGLO CHINESE

PRINCIPLE FACTORS AND REASONS CONSIDERED

In formulating and giving our opinion to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions and the Proposed Annual Caps, we have taken into account the following principal factors:

Background

Reference is made to the continuing connected transactions in relation to the bank deposits placed by the Group with the BOC Group as disclosed in the Prospectus and the Company's announcements dated 20 February 2019, 25 February 2019 and 29 April 2019.

The Group has bank deposit accounts with certain branches of the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group in the ordinary and usual course of the business and on normal commercial terms. On 12 May 2016 before the IPO, the Company entered into (i) a framework agreement with BOC (the "**BOC Deposit Framework Agreement**") to govern all existing and future bank deposits with the BOC Group (other than the BOCHK Holdings Group), and (ii) a framework agreement with BOCHK Holdings (the "**BOCHK Deposit Framework Agreement**") to govern all existing and future bank deposits with the BOCHK Holdings Group. As stated in the Prospectus, the maximum daily balance of deposits placed by the Group with each of the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, including interest accrued thereon, for each of the three years ending 31 December 2016, 2017 and 2018 shall each not exceed US\$500 million. Each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expired on 31 December 2018.

The renewal of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement was for a term of three years with effect from 1 January 2019, pursuant to which the Group may separately place deposits with the BOC Group (other than BOCHK Holdings Group) and BOCHK Holdings Group during the three years ending 31 December 2021.

With reference to the Company's announcements dated 20 February 2019 and 25 February 2019, (i) the annual caps for the deposits to be placed with BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement or the BOCHK Holdings Group pursuant to the BOCHK Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 will each not exceed US\$125 million (the "**Current Annual Caps**"). On 29 April 2019, the Company announced that it proposed to further revise the annual caps to US\$500 million.

Information of the Group

The Company is incorporated in Singapore with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2588). The Group is principally engaged in the aircraft operating leasing business and it is a leading global aircraft operating leasing company with a fleet of 511 aircraft owned, managed and on order as at 31 December 2018. The Company also provides third-party lease management services to aircraft owners.

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Financial information of the Group

The following is a summary of the audited consolidated financial results of the Group for each of the three years ended 31 December 2016, 2017 and 2018, as extracted from the 2017 and 2018 annual reports of the Company.

	For the year ended 31 December		
	2016	2017	2018
	<i>US\$'000</i> (audited)	<i>US\$'000</i> (audited)	<i>US\$'000</i> (audited)
Revenues	1,193,085	1,400,741	1,725,599
Profit before income tax	473,807	551,136	685,225
Profit for the year attributable to owners of the Company	418,080	586,647	620,439

	As at 31 December		
	2016	2017	2018
	<i>US\$'000</i> (audited)	<i>US\$'000</i> (audited)	<i>US\$'000</i> (audited)
Short-term deposits (unencumbered)	352,882	162,235	152,936
Cash and bank balances (unencumbered)	40,837	79,612	69,797
<i>Cash and cash equivalents</i>	393,719	241,847	222,733
Total assets	13,444,555	16,039,861	18,256,223

	For the year ended 31 December		
	2016	2017	2018
	<i>US\$'000</i> (audited)	<i>US\$'000</i> (audited)	<i>US\$'000</i> (audited)
Net cash flows from operating activities	1,106,037	1,271,378	1,722,672
Net cash flows used in investing activities	(1,200,262)	(3,194,309)	(2,721,636)
Net cash flows from financing activities	116,551	1,771,059	979,850

Lease rental income has been the Group's main source of income, supplemented by gains on sale of aircraft and fee income for the three years ended 31 December 2018. The revenue of the Group increased by approximately US\$532.5 million for the year ended 31 December 2016 to 2018, representing a compound annual growth rate ("CAGR") of around 20.3%. Such increase was primarily due to a portfolio growth and reflected the impact of higher US Dollar LIBOR on the Group's floating rate leases. As a result, the profit for the year attributable to owners of the Company increased by approximately US\$202.4 million for the year ended 31 December 2016 to 2018, representing a CAGR of around 21.8%.

As a result, the Group recorded a continuously increase in net cash flows from operating activities from US\$1,106 million to US\$1,722 million for the year ended 31 December 2016 to 2018 respectively, representing at CAGR of 24.8%.

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Information of BOC

BOC is a joint stock limited company incorporated in the PRC, the H-shares and A-shares of which are listed on the Stock Exchange (Stock Code: 3988) and the Shanghai Stock Exchange (Stock Code: 603988), respectively and the ultimate controlling shareholder of the Company. BOC and its subsidiaries are principally engaged in the provision of banking and related financial services, including commercial banking business, investment banking business, insurance business, direct investments and investment management businesses, fund management business and aircraft leasing business.

As at 31 December 2018, BOC recorded a total asset of approximately RMB21,267,275 million (equivalent to approximately HK\$24,774,329 million) and capital and reserves attributable to equity holders of the bank of approximately RMB1,612,980 million (equivalent to approximately HK\$1,878,966 million) according to the annual report for the year ended 31 December 2018 published on 29 March 2019. As at the Latest Practicable Date, the market capitalisation of H-shares and A-shares of BOC was approximately HK\$315,256 million and RMB819,878 million (equivalent to approximately HK\$955,079 million) respectively.

We have reviewed the credit ratings of BOC, which BOC is assigned a credit rating of A with a stable outlook from Standard & Poor, and a credit rating of A1 with a stable outlook from Moody's Investors Service. Accordingly, we consider that BOC's ability to honour its undertaking in favour of the Group is strong and the credit risks are not less controllable as compared to that to other financial entities.

Information of BOCHK Holdings

BOCHK is incorporated in Hong Kong with limited liability, and is a subsidiary of BOCHK Holdings, the shares of which are listed on the Stock Exchange (Stock Code: 2388). BOCHK Holdings, a subsidiary of BOC, and its subsidiaries are principally engaged in the provision of banking and related financial services.

As at 31 December 2018, BOCHK Holdings recorded total assets of approximately HK\$2,952,903 million and capital and reserves attributable to equity holders of the company of approximately HK\$257,070 million according to its annual report for the year ended 31 December 2018 published on 29 March 2019. As at the Latest Practicable Date, the market capitalisation of BOCHK Holdings was approximately HK\$374,276 million.

We have reviewed the credit rating of BOCHK, which is assigned a credit rating of A+ with a stable outlook from Standard & Poor, and a credit rating of Aa3 with a negative outlook from Moody's Investors Service. Accordingly, we consider that BOCHK Holding's ability to honour its undertaking in favour of the Group is strong and the credit risks are not less controllable as compared to that to other financial entities.

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BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement

Transactions

The Group has bank deposit accounts with the Singapore and Tianjin branches of BOC in the ordinary and usual course of its business and on normal commercial terms. The Company entered into the BOC Deposit Framework Agreement on 12 May 2016 to govern all existing and future bank deposits with the BOC Group (other than the BOCHK Holdings Group) with effect from the Listing Date.

The Group also has bank deposit accounts with BOCHK in the ordinary and usual course of its business and on normal commercial terms. The Company entered into the BOCHK Deposit Framework Agreement on 12 May 2016 to govern all existing and future bank deposits with the BOCHK Holdings Group with effect from the Listing Date.

Key terms

1. The BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement provide that all deposits of funds with the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, as the case may be, must be:
 - (i) in the ordinary and usual course of business of the Group and the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, as the case may be;
 - (ii) on an arm's length basis;
 - (iii) on normal commercial terms and terms which are no less favourable than (a) those available to the Group from independent third parties and (b) those offered by the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, as the case may be, to independent third parties for similar or comparable deposits; and
 - (iv) in compliance with, amongst other things, the Listing Rules and applicable laws.
2. The initial terms of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expired on 31 December 2018.
3. The renewal of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement was for a term of three years with effect from 1 January 2019, pursuant to which the Group may separately place deposits with the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group during the three years ending 31 December 2021.

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4. Each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expires on 31 December 2021 and is automatically renewable for successive periods of three years thereafter, subject to compliance with the then applicable provisions of the Listing Rules, unless terminated earlier by not less than six months' prior written notice or otherwise in accordance with the terms of the BOC Deposit Framework Agreement or the BOCHK Deposit Framework Agreement, as the case may be.

Reasons and basis for the Proposed Annual Caps

The Group deposits funds with a number of financial institutions in the ordinary and usual course of its business. Placing deposits with the BOC Group on normal commercial terms could diversify the business relationships with commercial banks. Each of BOC and BOCHK Holdings is a licensed and reputable commercial bank and deposit taking is part of its ordinary and usual course of business.

In view of the historical maximum daily balance of deposits placed by the Group with the BOC Group during the three years ended 31 December 2018, the Directors consider that it would be in the best interests of the Company and the Shareholders as a whole to increase to annual caps under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement. The Proposed Annual Caps are the same as the annual caps for the three years ending 31 December 2016, 2017 and 2018.

Historical Figures

Set out below is a summary of the historical figures of the maximum daily balance of deposits placed by the Group with the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group, including interest accrued thereon, for each of the years ended 31 December 2016, 2017 and 2018:

	Year ended 31 December		
	2016	2017	2018
	<i>US\$ million</i>	<i>US\$ million</i>	<i>US\$ million</i>
BOC Group (other than the BOCHK Holdings Group)	497	499	145
BOCHK Holdings Group	335	296	146

Current annual caps and transaction amounts

The Current Annual Caps are set out above.

Based on the Current Annual Caps and with reference to the market capitalisation of the Company at the time when the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement were automatically renewed on 1 January 2019, the highest applicable percentage ratio in respect of the annual caps for the transactions, on an aggregated basis is more than 0.1% but less than 5% of applicable tests, Therefore, the continuing connected transactions under the

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BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The Company shall apply the Current Annual Caps in the interim until the Proposed Annual Caps are approved at the EGM.

We understood from the Company that none of the actual transaction amounts from 1 January 2019 to the Latest Practicable Date exceeded the Current Annual Caps.

Proposed annual caps for future transaction amounts

Set out below are the proposed caps of the maximum daily balance of deposits placed by the Group with the BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement, and the maximum daily balance of deposits placed by the Group with the BOCHK Holdings Group pursuant to the BOCHK Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021:

	Year ending 31 December		
	2019	2020	2021
	<i>US\$ million</i>	<i>US\$ million</i>	<i>US\$ million</i>
BOC Group (other than the BOCHK Holdings Group)	500	500	500
BOCHK Holdings Group	500	500	500

In formulating the Proposed Annual Caps, the Board (with the exception of Mr. Sun Yu, Mr. Wang Jian, Mr. Li Mang, Mr. Liu Chenggang, Mr. Wang Zhiheng and Ms. Zhu Lin who abstained from voting) had taken into consideration the following:

- (i) the maximum historical daily balance of the deposits of the Group with the BOC Group (other than the BOCHK Holdings Group), the BOCHK Holdings Group and other third-party financial institutions (including interest accrued thereon),
- (ii) the expected growth of the Group's business and the financing needs of the Group over the next three years which are expected to result in an increase in the Group's cash balance,
- (iii) the existing demand for deposit services of the Group,
- (iv) the cash amounts which the Group would receive from future sales of aircraft from time to time, and
- (v) the flexibility and agility of the Group to place deposits with the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group, provided the terms are competitive and in the best interests of the Company and Shareholders.

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In assessing reasonableness, we have discussed with the management of the Group the basis and assumptions in setting the Proposed Annual Caps. Given that (i) the Proposed Annual Caps are the same as the original annual caps stated in the Prospectus; (ii) the Proposed Annual Caps are close to the historical maximum daily balance of the deposits of the Group with the BOC Group during the years ended 31 December 2016 and 2017. Despite the maximum daily balance of the deposits with the BOC Group being comparatively lower in 2018, we understand that the Company used a significant amount of deposits service during 2018 from other deposit-taking banks; (iii) the Current Annual Caps if not revised would restrict the Company from accepting better deposit terms from BOC and BOCHK Holdings from time to time, if any, since the Company has a system of obtaining at least three competitive quotes before placing deposits with the institution providing the best quote while BOC and BOCHK might be excluded from providing competitive quotes for large amount of deposit to the Company due to the restriction of the Current Annual Caps; and (iv) the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement will be on a non-exclusive basis and the Proposed Annual Caps provides the Group the right but not the obligation to utilise the deposit services under such framework agreements, we consider the Proposed Annual Caps to be fair and reasonable and in the interests of the Independent Shareholders.

Internal control procedures for the Group's continuing connected transactions

With regards to the internal controls of the Company, we have reviewed the corporate governance manual of the Company. We noted that the Company has adopted the internal control policies and measures in relation to connected transactions as follows:

- (i) all connected transactions should be on normal commercial terms (or terms which are more advantageous to the Group), fair and reasonable and in the interests of the Group and its Shareholders as a whole;
- (ii) where the Company enters into continuing connected transactions not exempted by the *de minimis* thresholds set out under the Listing Rules, the independent non-executive Directors must confirm in the annual report that the continuing connected transactions that are subject to reporting and disclosure requirements are entered into in the ordinary and usual course of business, on normal commercial terms (or terms no less favourable as available to or from third parties) and are in accordance with the relevant agreement on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole;
- (iii) the Company's auditors must provide a written confirmation to the Board (with a copy to the Stock Exchange at least 10 business days before the bulk printing of the annual report) that the continuing connected transactions have been approved by the Board, are in accordance with the pricing policies of the Group if the transactions involve provision of goods or services by the Group, have been entered into in accordance with the relevant agreements and have not exceeded any applicable cap;
- (iv) to ensure that the Company complies with the relevant Listing Rules, all potential transactions (a) where the counterparty is a connected person, (b) which are connected transactions, (c) where the value, consideration, assets, profits or commitment exceeds certain thresholds monitored and communicated internally from time to time by the

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Company Secretary, or (d) which are part of a larger commitment or series of potential transactions with the same counterparty or its associated companies exceeding certain thresholds monitored and communicated internally from time to time by the Company Secretary must be reported to the Company Secretary; and

- (v) the threshold in paragraphs (iv)(c) and (iv)(d) above will be reviewed periodically and may be revised by the Company Secretary from time to time.

As mentioned in the Company's announcement dated 25 February 2019, the Company has a system to monitor its connected transactions and the renewal of connected transactions, which includes maintaining and regularly updating the list of connected persons of the Company, maintaining a list of connected transactions including details in relation to their expiration dates, checking the contracting party in each transaction to confirm whether it is a connected person, monitoring the value of transactions that are identified as connected transactions (on an aggregated basis where applicable) against the thresholds for triggering disclosure and shareholder approval requirements under the Listing Rules and ensuring that relevant business departments are regularly updated in relation to the renewal of connected transactions.

In addition, in relation to deposits under the BOC Deposit Framework Agreement or the BOCHK Deposit Framework Agreement, the Company has a system to ensure that the maximum daily balance of deposits (including the interest accrued thereon) does not exceed relevant annual cap amount and regularly reviews the terms (including the interest rates) offered by the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group for the deposit of funds to ensure that such terms are no less favourable than those offered to it by independent financial institutions. In this regard, the treasury department of the Company has a system of obtaining at least three competitive quotes before placing a deposit with the institution providing the best quote. We have reviewed four sets of the quotations and settlements samples randomly selected from recent transactions during April 2019 where BOC or BOCHK was one of the banks that provided quotations (and the other two or more competing banks were independent financial institutions) and noted that the Company placed deposits to the financial institutions that offered the most competitive terms given sufficient lines available.

Based on the above, we consider that the Company has adopted adequate internal control measures to be able to comply with the Listing Rules requirements with respect to the supervision and monitoring of the Proposed Annual Caps.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will conduct annual review and issue confirmations regarding the continuing connected transactions of the Company each year. We have reviewed the annual reports of the Company for the year ended 31 December 2016, 2017 and 2018 and noted the independent non-executive Directors and the auditor of the Company have reviewed the continuing connected transactions conducted during such periods and provided the relevant confirmations. Based on such compliance record, we are of the view that there are appropriate and effective measures to govern the future execution of such transactions and to safeguard the interests of the Independent Shareholders.

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OPINION AND RECOMMENDATION

Based on the below factors and reasons which have been laid out earlier in this letter:

- (i) the ability of BOC and BOCHK Holdings to honour its undertaking in favour of the Group is strong and the credit risks are not less controllable as compared to that to other financial entities;
- (ii) the Proposed Annual Caps are the same as the original annual caps stated in the Prospectus;
- (iii) the Proposed Annual Caps are close to the historical maximum daily balance of the deposits of the Group with the BOC Group during the years ended 31 December 2016 and 2017;
- (iv) the Current Annual Caps if not revised would restrict the Company from accepting better deposit terms from BOC and BOCHK Holdings from time to time, if any;
- (v) the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement will be on a non-exclusive basis and the Proposed Annual Caps provides the Group the right but not the obligation to utilise the deposit services under such framework agreements; and
- (vi) the Company has adopted adequate internal control measures to be able to comply with the Listing Rules requirements with respect to the supervision and monitoring of the Proposed Annual Caps,

we consider that the terms of the Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and the Continuing Connected Transactions are entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group. Accordingly, we advise the Independent Board Committee to recommend and we also recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Annual Caps in relation to the Continuing Connected Transactions.

Yours faithfully,
for and on behalf of
Anglo Chinese Corporate Finance, Limited
Dian Deng
Director

Note: Ms. Dian Deng is a licensed person registered with the SFC and a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has over ten years of experience in corporate finance industry.

1. 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 enquiries, 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.

2. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors is interested in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, Mr. Robert James Martin and Mr. Wang Jian had the following interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO and section 164 of the Singapore Companies Act, Cap. 50 as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 of the Listing Rules:

Long position (ordinary Shares)

Name of Director	Number of underlying Shares held under equity derivatives	Approximate percentage of total issued share capital (%)
Mr. Robert James MARTIN	199,373	0.03
Mr. WANG Jian	34,890	0.01

These represent the number of the RSUs granted to Mr. Robert James Martin and Mr. Wang Jian under the Company's RSU Plan on 4 May 2018. For more information on the grant of awards under the RSU Plan on 4 May 2018, please refer to the Company's announcement dated 4 May 2018 on the websites of the Stock Exchange and the Company.

As at the Latest Practicable Date, Mr. Sun Yu has a personal interest in 10,000 H shares of Bank of China Limited (stock code: 3988), which is a connected person of the Company by virtue of being a controlling shareholder of the Company.

Save as disclosed above, none of the Directors has any interests in the Shares within the meaning of Part XV of the SFO.

4. EXPERT

The following is the qualification of the expert who has given its opinions or advice, which are contained or referred to in this circular:

<u>Name</u>	<u>Qualification</u>
Anglo Chinese Corporate Finance, Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Anglo Chinese has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Anglo Chinese does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Anglo Chinese does not have any direct or indirect interest in any assets which had been since 31 December 2018 (the date to which the latest published audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to any member of the Group or were proposed to be acquired or disposed of by, or leased to any member of the Group.

5. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Company since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

6. MISCELLANEOUS

- (a) None of the Directors has entered into a service contract with the Company which does not expire or which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.
- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the businesses of the Group.
- (c) None of the Directors had any direct or indirect interest in any asset which, since 31 December 2018 (the date to which the latest published audited accounts of the Group were made up), had been or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

- (d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during the normal business hours at 8 Shenton Way, #18-01, Singapore 068811 from the date of this circular up to and including the date of the EGM (save for Saturday, Sunday and Singapore public holidays):

- (a) the letter of advice from Anglo Chinese to the Independent Board Committee and the Independent Shareholders, the text of which is set out in this circular;
- (b) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (c) the written consent of Anglo Chinese as referred to in the section headed “Expert” in this appendix;
- (d) the BOC Deposit Framework Agreement;
- (e) the BOCHK Deposit Framework Agreement; and
- (f) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of shareholders of BOC Aviation Limited (the “**Company**”) will be held on Tuesday, 11 June 2019 at 9:30 a.m. at 8 Shenton Way, #18-01, Singapore 068811 for the purpose of transacting the following business:

1. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT the Proposed Annual Caps in relation to the Continuing Connected Transactions (each as defined and described in the circular dated 9 May 2019 to the shareholders of the Company) be and are hereby confirmed and approved. ”

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

Hong Kong, 9 May 2019

Notes:

1. Pursuant to the Listing Rules, any vote of members at the Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands). The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any shareholder not a clearing house or its nominee(s) entitled to attend the Meeting is entitled to appoint not more than two proxies to attend instead of him/her but the proportion of the shareholding to be represented by each proxy shall be specified in the form of proxy. Any shareholder which is a clearing house or its nominee(s) entitled to attend the Meeting is entitled to appoint more than one proxy to attend the Meeting instead of it, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder which number of shares shall be specified in the form of proxy. A proxy need not be a shareholder of the Company, but must attend the meeting in person in order to represent the shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. On a poll, every shareholder present in person or by proxy shall have one vote for each share which he holds or represents.

* *For identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. In order to be valid, the form of proxy shall be signed by the appointor or by his attorney or authorised signatory, and if it is signed by an attorney or authorised signatory, the power of attorney or other authority, under which it is signed or a certified copy thereof must be registered with the Company or deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to attend and vote at the Meeting, from Tuesday, 4 June 2019 to Tuesday, 11 June 2019 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 3 June 2019.
5. The full text of the Resolution and all relevant information is set out in the Notice of Extraordinary General Meeting which is included in the circular despatched to shareholders of the Company on 9 May 2019 (the "**Circular**"). The Circular can also be viewed and downloaded from the website of the Company at www.bocaviation.com or the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.
6. In case of joint shareholding, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding. Accordingly, investors who wish to have joint shareholding in the Company should bear in mind the above provision when they decide the way in which their names being provided for share registration.