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For Immediate Release



BOC Aviation Limited

中銀航空租賃有限公司*

(Stock Code: 2588)

**Proposed listing of BOC Aviation on
The Stock Exchange of Hong Kong Limited (“HKEX”)
Offer Price set at HK\$ 42.00 per Share
Offer Price represents 1.25x 2015 post-money price-to-book ratio
Offer to raise net proceeds of approximately HK\$ 4,246 million⁽¹⁾
(approximately US\$ 547 million) for the Company and net proceeds
of approximately HK\$ 4,246 million⁽¹⁾ (approximately
US\$ 547 million) for Bank of China**

Hong Kong, Wednesday, 18 May 2016: BOC Aviation Limited (“BOC Aviation” or the “Company”, together with its subsidiaries, the “Group”; stock code: 2588), today announced the proposed listing of its Shares on the Main Board of The Stock Exchange of Hong Kong Limited. BOC Aviation is the largest Asian-headquartered aircraft operating leasing company, by the value of owned aircraft as at 31 December 2015, with average ROE post-tax from 2013 to 2015 amongst the highest for all listed aircraft operating leasing companies. The Company has been a wholly-owned subsidiary of Bank of China since December 2006.

* For identification purpose only

(1) Assuming the Over-allotment Option is not exercised and after deduction of underwriting fees and commissions and estimated expenses paid and payable.

Note: Amounts denominated in HK\$ have been converted into US\$ at an exchange rate of US\$1.00 to HK\$7.7605. This exchange rate is for illustrative purposes only.

The Group

- Based on the value of owned aircraft as at 31 December 2015, it is the largest aircraft operating leasing company headquartered in Asia and is one of the five largest globally.
- The business model is focused on purchasing new, fuel-efficient, in-demand aircraft at competitive prices directly from aircraft manufacturers, financing those aircraft purchases efficiently, placing aircraft on long-term operating leases with a globally diversified customer base and selling these aircraft to maintain a young fleet, to mitigate risks in our aircraft portfolio and to generate gains on sale. Sale proceeds are then reinvested in new aircraft investments.
- As at 31 December 2015, the Group's fleet comprised 270 aircraft, of which 227 were owned aircraft and 43 were managed on behalf of third party customers.
 - The Group's aircraft are on lease to a diversified customer base of 62 airlines in 30 countries.
 - The Company's order book comprises principally popular single-aisle aircraft, such as the Airbus A320 and Boeing 737 family, including the A320-NEO and 737 MAX 8 new technology models.
 - As at 31 December 2015, the average aircraft age of the Group's owned aircraft fleet was 3.3 years, making the owned fleet one of the youngest in the aircraft operating lease industry.

The Offering

- The Global Offering is expected to comprise an aggregate of 208,203,000 Shares (comprising 104,101,500 New Shares and 104,101,500 Sale Shares) and subject to the Over-allotment Option.
- Offer price of HK\$ 42.00 per Share, representing 1.25 times 2015 post-money price-to-book ratio
- Pursuant to the Over-allotment Option, the Selling Shareholder may be required to sell up to 31,230,400 additional Shares, representing not more than approximately 15% of the number of Offer Shares initially being offered under the Global Offering.
- Offering size: Gross proceeds before Over-allotment Option of HK\$ 8,745 million (approximately US\$ 1,127 million) of which HK\$ 4,372 million (approximately US\$ 563 million) is from New Shares and HK\$ 4,372 million (approximately US\$ 563 million) is from Sale Shares. Gross proceeds after Over-allotment Option fully exercised of HK\$ 10,056 million (approximately US\$ 1,296 million) of which HK\$ 4,372 million (approximately US\$ 563 million) is from New Shares and HK\$ 5,684 million (approximately US\$ 732 million) is from Sale Shares.
- The Hong Kong public offering will open at 9:00 a.m. on Thursday, 19 May 2016 and close at 12:00 noon on Tuesday, 24 May 2016.
- Investors need to pay HK\$ 4,242.32 per board lot including brokerage, SFC transaction levy and Stock Exchange trading fee.
- Dealings in the Shares on the HKEX are expected to commence on Wednesday, 1 June 2016, with the stock code 2588 in board lots of 100 Shares each.

- BOC Aviation has entered into cornerstone investment agreements with China Investment Corporation, Silk Road Fund Co., Ltd, China Development Bank International Holdings Limited, China Life Franklin Asset Management Co., Limited, Oman Investment Fund, Hony Capital Group, L.P., Elion Resources Group Limited, Fullerton Fund Management Company Ltd., Fosun International Limited, The Boeing Company and China South Industries Assets Management Co., Ltd, who have agreed to subscribe, or cause their designated entities to subscribe, for 107,729,400 Offer Shares with an aggregate purchase price of HK\$ 4,524,634,800 (approximately US\$ 583 million), accounting for 51.7% of the Offering size before the exercise of the Over-allotment Option, and 45% of the Offering size if the Over-allotment Option is exercised in full
- After completion of the Global Offering, Bank of China will have an interest in approximately 65.5% of the Shares in issue (assuming the Over-allotment Option is exercised in full) and approximately 70% of the Shares in issue if the Over-allotment Option is not exercised. Accordingly, Bank of China will retain a substantial majority shareholding in the Company, and the Company will remain as a subsidiary of Bank of China and will continue to carry its brand name.
- BOCI Asia Limited is the Sole Financial Adviser. BOCI Asia Limited and Goldman Sachs (Asia) L.L.C. are the Joint Sponsors. BOCI Asia Limited, Goldman Sachs (Asia) L.L.C. and Morgan Stanley Asia Limited are the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers. BNP Paribas Securities (Asia) Limited and Citigroup Global Markets Asia Limited (in relation to the Hong Kong Public Offering) and Citigroup Global Markets Limited (in relation to the International Offering) are Joint Bookrunners and Joint Lead Managers. China Securities (International) Corporate Finance Company Limited is a Joint Lead Manager.

Mr. Robert Martin, Managing Director, Chief Executive Officer and Executive Director of BOC Aviation, said, “In the next 20 years, the global fleet of aircraft with more than 100 seats is estimated to exceed 39,000 aircraft, compared with just over 19,000 today as growth in appetite for travel, especially from emerging markets, drives demand from airlines for more aircraft. The aircraft leasing industry’s future is promising and our business model is underpinned by strong global trends in the aviation industry. Leveraging these widespread market opportunities, we will endeavour to strengthen the leading position in the aircraft leasing industry that we have established over the last 22 years. We are committed to building on this track record to consolidate our position as one of the world’s most competitive aircraft operating lease companies.”

Key strengths of BOC Aviation:

Experienced senior management team

The company benefits from one of the most experienced and stable management teams in the aircraft operating lease industry. It has recorded 22 years of unbroken profitability in spite of industry down cycles since its foundation, during which it has generated cumulative profits of US\$ 2.1 billion. BOC Aviation’s net profit has grown at a compounded annual rate of

18.1% between 2008 and 2015, with ROE (a key measurement of management influence) remaining stable at an industry-leading 15% throughout the same period.

Disciplined and active portfolio management

BOC Aviation had a fleet of 270 owned and managed aircraft as at end of 2015. Since inception, the Company has purchased 670 aircraft from manufacturers and executed 590 leases with its airline customers. Its fleet features one of the youngest ages and longest remaining lease terms in the industry. As at 31 December 2015, the average remaining lease term of the Company's owned aircraft was 7.4 years, weighted by net book value, with a weighted average fleet age of 3.3 years. BOC Aviation has also established an extensive network of aircraft investors and, since 1993, it has sold more than 210 owned and managed aircraft both with and without leases attached to a wide range of buyers. Its focus on in-demand, fuel efficient aircraft types positions it well for future growth, with a significant order book of 241 aircraft as at 31 December 2015, equivalent to an average of 40 aircraft committed for delivery each year until 2021.

Well-established relationships with airline customers and aircraft manufacturers

The company combines the skill and experience of its dedicated aircraft purchasing team with its scale and well-established long-standing relationships to achieve what it believes are competitive aircraft purchase pricing and other terms from the major aircraft and engine manufacturers. It has purchased aircraft worth US\$ 32 billion since it was established. BOC Aviation leases these aircraft to a strong and globally diverse airline customer base from which it generates long term contractual lease revenue streams, all denominated in USD.

Low financing costs at 2% for 2015

One of BOC Aviation's key attributes is its access to low cost, flexible debt funding. The Company has investment-grade credit ratings of A- from both Standard & Poor's and Fitch, some of the highest credit ratings in the aircraft operating lease industry, and it recorded a 2.0% cost of debt funding for 2015, which the Company believes was one of the lowest among aircraft operating leasing companies. These achievements reflect its proven track record as well as committed shareholder support from Bank of China. Since 2007, the Company has been an active issuer, raising total debt exceeding US\$ 16 billion – a key contributor to its growth in assets that now total US\$ 12.5 billion.

Reference is made to the announcements made by the Company on 4 March 2016, 25 April 2016 and 12 May 2016 in relation to the Proposed Listing (the "Announcements"). Unless otherwise defined, capitalised terms in this release have the same respective meanings given to them in the Announcements.

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Offering Details:

No. of Offer Shares under the Global Offering	208,203,000 Shares (comprising 104,101,500 New Shares and 104,101,500 Sale Shares and subject to the Over-allotment Option)
No. of International Offer Shares	192,587,600 Shares (comprising 88,486,100 New Shares and 104,101,500 Sale Shares and subject to reallocation and the Over-allotment Option)
No. of Hong Kong Offer Shares	15,615,400 New Shares (subject to reallocation)
Offer Price	HK\$ 42.00 per Share
Over-allotment Option	Up to 15% of the shares initially being offered under the Global Offering
Board Lot	100 shares
Payment per Board Lot	HK\$ 4,242.32 (inclusive of the brokerage, the SFC transaction levy and the Stock Exchange trading fee)
Hong Kong Public Offer Begins	19 May 2016 (Thursday) 9:00 a.m.
Hong Kong Public Offer Ends	24 May 2016 (Tuesday) 12:00 noon
Announcement of Allotment Results	31 May 2016 (Tuesday)
Expected Listing Date	1 June 2016 (Wednesday)
Stock Code	2588

Use of Proceeds:

The net proceeds of the Global Offering which the Company will receive, after deduction the underwriting commissions and the estimated expenses in relation to the Global Offering payable by the Company, will be approximately HK\$ 4,246 million (US\$ 547 million) based on the Offer Price of HK\$ 42.00 per Share. The Company intends to use the entire net proceeds to fund pre-delivery payments for and future purchases of aircraft to grow the Group's owned aircraft portfolio.

Financial Highlights during the Track Record Period:

(US\$ million)	Year ended 31 December		
	2013	2014	2015
Revenues and other income	918.7	988.4	1,090.7
Profit for the year attributable to equity holder of the Company	277.1	308.6	343.3
Basic and diluted earnings per share	US\$ 0.47	US\$ 0.52	US\$ 0.58
Total assets	10,149	11,403	12,474
Return on equity (%)	15.0%	15.3%	15.1%