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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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**

**RENEWAL OF  
CONTINUING CONNECTED TRANSACTIONS AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

**ANGLO CHINESE** 英  
CORPORATE FINANCE, LIMITED 高

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A notice convening the extraordinary general meeting of BOC Aviation Limited to be held by electronic means on Thursday, 3 June 2021 at 2:30 p.m., or immediately after the conclusion of the Company's annual general meeting to be held on the same day, is set out on pages 35 to 38 of this circular.

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).

**In view of the evolving Covid-19 situation including the social distancing measures and travel restrictions in Singapore and Hong Kong, the Board considers it to be in the interests of the Company and Shareholders to convene the extraordinary general meeting by electronic means. Shareholders will only be able to vote by submitting a proxy form in advance of the extraordinary general meeting. We strongly encourage all Shareholders to exercise your right to vote and to submit your proxy form as early as possible. Please refer to the notice of the extraordinary general meeting for further details.**

5 May 2021

\* For identification purpose only

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## DEFINITIONS

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*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, the ultimate controlling shareholder of the Company and a connected person of the Company under the Listing Rules
“BOC Deposit Framework Agreement”	a framework agreement dated 12 May 2016 entered into between the Company and the BOC Group in relation to the bank deposits with the BOC Group (other than the BOCHK Holdings Group)
“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, a wholly-owned subsidiary of the BOCHK Holdings and an associate of a connected person of the Company under the Listing Rules
“BOCHK Deposit Framework Agreement”	a framework agreement dated 12 May 2016 entered into between the Company and BOCHK Holdings in relation to the bank deposits with the BOCHK Holdings Group

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## DEFINITIONS

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“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, a subsidiary of BOC and a connected person of the Company under the Listing Rules
“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
“EGM” or “Meeting”	the extraordinary general meeting of the Company to be held by electronic means on Thursday, 3 June 2021 at 2:30 p.m., or immediately after the conclusion of the Company’s annual general meeting to be held on the same day, to consider and, if appropriate, to approve the resolutions contained in the notice of extraordinary general meeting set out on pages 35 to 38 of this circular, or any adjournment thereof
“Group”	the Company and its subsidiaries
“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
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the relevant resolutions at the EGM
“IPO”	the initial public offering of the Company, the details of which are set out in the Prospectus

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## DEFINITIONS

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“Latest Practicable Date”	30 April 2021, 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 2022, 2023 and 2024
“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
“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

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LETTER FROM THE BOARD

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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**

**Chairman and Non-executive Director:**

CHEN Huaiyu

**Executive Directors:**

ZHANG Xiaolu

*(Vice Chairman & Deputy Managing Director)*

Robert James MARTIN

*(Managing Director & Chief Executive Officer)*

**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

5 May 2021

*To the Shareholders*

Dear Sir or Madam

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 3 May 2021 in relation to, among other things, the BOC Deposit Framework Agreement, the BOCHK Deposit Framework Agreement and the Continuing Connected Transactions.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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Reference is also made to the Prospectus and the circular of the Company dated 9 May 2019 disclosing, among others, the terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement. Pursuant to the terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement, such agreements came into effect on the Listing Date and shall continue up to and including 31 December 2018, and shall be renewed automatically for successive periods of three years thereafter, subject to the compliance with the then applicable provisions of the Listing Rules. Each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expired on 31 December 2018 and was automatically renewed for a term of three years ending 31 December 2021.

The Company intends to continue to enter into transactions of the same nature after 31 December 2021. The automatic renewal of the term of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement for the three years ending 31 December 2024 pursuant to the terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement shall take effect upon the approval of the respective Continuing Connected Transactions and the Proposed Annual Caps therefor having been obtained from the Independent Shareholders in accordance with the applicable Listing Rules.

The main purposes of this circular are:

- (a) to provide you with further details of the BOC Deposit Framework Agreement, the BOCHK Deposit Framework Agreement, the Continuing Connected Transactions and the Proposed Annual Caps;
- (b) to set out the letter from Anglo Chinese to the Independent Board Committee and the Independent Shareholders;
- (c) to set out the recommendation of the Independent Board Committee to the Independent Shareholders; and
- (d) to provide you with the notice of the EGM and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### PARTICULARS OF THE CONTINUING CONNECTED TRANSACTIONS

#### 1. Principal terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement

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 with BOC 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 with BOCHK 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.

#### 2. Historical transaction amounts

The maximum daily balance of deposits placed by the Group with the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group, including interest accrued thereon, for each of the past five years ended 31 December 2020 is as follows:

	2016	2017	2018	2019	2020
	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>
BOC Group (other than the BOCHK Holdings Group)	497	499	145	113	494
BOCHK Holdings Group	335	296	146	209	493

None of the actual transaction amounts during the relevant periods exceeded the applicable annual caps.



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## LETTER FROM THE BOARD

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### 3. Proposed Annual Caps and basis

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 2022, 2023 and 2024 will each not exceed US\$500 million, thereby maintaining the current annual caps.

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 financing needs of the Group over the next three years, (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 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 2022, 2023 and 2024 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 financing needs of the Group over the next three years, (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

#### 1. Our business

The Company is a leading global aircraft operating leasing company based in Singapore. Our core 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 our aircraft on long-term operating leases with a globally diversified customer base and selling our aircraft to maintain a young fleet, to mitigate risks in our aircraft portfolio and to generate gains on sale, as well as reinvesting the sale proceeds in new aircraft investments.

#### 2. Capital expenditure

Our business is capital intensive, requiring significant investments and borrowings in order to grow and to maintain a young aircraft fleet. As at 31 December 2020, the Company had a significant order book of 155 aircraft committed for purchase. The table below sets out our estimated contractual capital expenditure commitments as at 31 December 2020 and

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## LETTER FROM THE BOARD

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includes all commitments to purchase aircraft, including those where an airline has a right to acquire the relevant aircraft on delivery. The capital expenditure figures for each year include anticipated escalation and are net of advance payments made before 31 December 2020.

	<b>31 December</b>
	<b>2020</b>
	<i>US\$b</i>
2021	3.7
2022	0.2
2023	2.1
2024	0.9
	<hr/>
<b>Total</b>	<b>6.9</b>
	<hr/> <hr/>

### 3. Funding and liquidity

Our aircraft purchase commitments are expected to be financed through a range of funding sources, including (a) cash flows generated from our operating activities, (b) proceeds from our notes issuance from debt capital markets, (c) amounts drawn down under our various bank financing facilities, and (d) net proceeds from sales of aircraft.

We benefit from our strong investment grade corporate credit ratings of A- from both Fitch Ratings and S&P Global Ratings and from our access to diverse debt funding sources. Our primary sources of debt funding are unsecured notes and unsecured and secured loan facilities. We have been an issuer of notes since 2000 and continue to regularly issue notes under our US\$15 billion Global Medium Term Note Program. In 2020, the Company issued the following debentures to raise funds to fund capital expenditure and our general corporate expenses:

<b>Class</b>	<b>Amount issued</b>	<b>Term</b>
Senior Unsecured Notes	US\$400,000,000	5 years
Senior Unsecured Notes	US\$1,000,000,000	5 years
Senior Unsecured Notes	US\$750,000,000	3.5 years
Senior Unsecured Notes	US\$750,000,000	10 years

We also enjoy access to and continued support from a large group of lenders comprising over 70 financial institutions. We have US\$5.7 billion in committed unsecured revolving credit facilities including a US\$3.5 billion facility from Bank of China which matures in December 2026.

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## LETTER FROM THE BOARD

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As at 31 December 2020, our loans and borrowings amounted to US\$16.7 billion, a 25% increase from US\$13.3 billion as at 31 December 2019 to finance the increase in capital expenditure. The increase in loans and borrowings included the issuance of US\$2.9 billion of notes under our Global Medium Term Note Program, the drawing down of US\$1.7 billion in term loans and an increase in the utilisation of our revolving credit facilities of US\$505 million during 2020.

Accordingly, it is reasonable to expect that the Company would require bank deposit services as part of its normal business operations, upon receipt of proceeds from the issuance of notes or drawing down of financing facilities from time to time, having issued as much as US\$1 billion in a single issuance of notes under our Global Medium Term Note Program.

#### **4. Aircraft sales**

Selling aircraft is one of our core competencies. From our inception in 1993 to 31 December 2020, we have sold more than 370 owned and managed aircraft to a wide range of buyers including other leasing companies, airlines and financial investors. We have developed an extensive network of established aircraft investors and airline customers to whom we can sell aircraft, and our ability to implement successful sales programs throughout industry cycles is one of our competitive strengths.

In 2020, investor demand for leased aircraft was significantly reduced after the onset of Covid-19 in the first quarter. Bank debt was virtually unavailable for many aircraft buyers during part of 2020, and the asset backed securitisation (“ABS”) market, which was a major source of liquidity for aircraft buyers in prior years, was effectively closed to aircraft ABS transactions until December 2020. Nonetheless, the Company sold 12 aircraft in 2020, and generated gains on sale of more than US\$44 million in the most challenging year for aircraft sales since the global financial crisis. Proceeds from the sale of aircraft amounted to US\$376 million in 2020.

In the first quarter ended 31 March 2021, the Company sold six owned and one managed aircraft. The Company will continue to sell aircraft as part of its business strategy in the years ending 31 December 2022, 2023 and 2024.

#### **5. Deposits**

The Group deposits funds with a number of financial institutions in the ordinary and usual course of its business. Our cash and short-term deposits, which were mainly denominated in U.S. dollars, increased to US\$408 million as at 31 December 2020 from US\$287 million as at 31 December 2019. The increase in cash and short-term deposits was mainly due to the total net cash inflows from operating activities, financing activities, and proceeds from sale of property, plant and equipment, having been greater than the cash outflows from capital expenditure during 2020.

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## LETTER FROM THE BOARD

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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 five years ended 31 December 2020 and the existing and expected demand for deposit services of the Group arising out of the ordinary and usual course of business of the Group as described above, the Directors consider that it would be in the best interests of the Company and the Shareholders as a whole to maintain 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, 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 to ensure that the deposit is placed with the institution providing the best quote. Before finalising the transaction, the Settlement Department checks and confirms the transaction details.

The Internal Audit Department undertakes audits for compliance with the Company's risk management and internal control systems. The Internal Audit Department audits the Treasury Department, including the system mentioned above, in accordance with their audit plan.

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## LETTER FROM THE BOARD

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The independent non-executive Directors will annually review the BOC Deposit Framework Agreement, the BOCHK Deposit Framework Agreement and the Continuing Connected Transactions and confirm to the Board as to whether the Continuing Connected Transactions are entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms or better, and (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole. The Company's external auditor will also conduct an annual review of the Continuing Connected Transactions to confirm that nothing has come to their attention that cause them to believe that such transactions (i) have not been approved by the Board, (ii) are not, in all material respects, in accordance with the pricing policies of the Group, (iii) are not entered into, in all material respects, in accordance with the relevant agreements governing the Continuing Connected Transactions, and (iv) have exceeded their respective annual caps.

### 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 terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement, the Continuing Connected Transactions and 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.

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## LETTER FROM THE BOARD

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Anglo Chinese has confirmed to the Independent Board Committee that, in its opinion, the Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable, the Continuing Connected Transactions are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Independent Shareholders as a whole. Anglo Chinese has advised the Independent Board Committee to recommend, and Anglo Chinese has recommended that the Independent Shareholders vote in favour of the resolutions to be proposed at the EGM. On the basis of Anglo Chinese's advice 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, 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 resolutions at the EGM. Sky Splendor Limited, a wholly-owned subsidiary of BOC who is 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), is therefore required to abstain from voting on the resolutions in respect of the Continuing Connected Transactions and the Proposed Annual Caps at the EGM.

Executive Director Mdm. Zhang Xiaolu and the non-executive Directors of the Company, namely Mr. Chen Huaiyu, Mr. Li Mang, Mr. Liu Chenggang, Mr. Wang Zhiheng and Mdm. Zhu Lin, are employees of BOC, therefore have a material interest and accordingly have abstained 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 Thursday, 3 June 2021. Given the evolving Covid-19 situation, we have put in place special precautionary measures for the EGM in line with the current regulations in Singapore. Please refer to the notice of the EGM set out on pages 35 to 38. Shareholders are encouraged to submit your proxy form and any questions to the Board as early as possible.

### **INFORMATION ON THE COMPANY**

BOC Aviation Limited is a leading global aircraft operating leasing company with a fleet of 553 aircraft owned, managed or on order as at 31 December 2020.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE BOC GROUP

Bank of China Limited is a joint stock limited company incorporated in the People's Republic of China, 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.

### 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 resolutions to be proposed at the EGM to approve the Continuing Connected Transactions and the Proposed Annual Caps.

### ADDITIONAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Board Committee set out on pages 14 to 15 of this circular, which contains its recommendation to the Independent Shareholders, and the letter from Anglo Chinese set out on pages 16 to 31 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**  
**Chen Huaiyu**  
*Chairman*



**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**

5 May 2021

*To the Independent Shareholders*

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular dated 5 May 2021 (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 13 of the Circular, and the letter from Anglo Chinese to the Independent Board Committee and the Independent Shareholders set out on pages 16 to 31 of the Circular which contains its opinion in respect of the Continuing Connected Transactions and the Proposed Annual Caps.

Having reviewed (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

\* *For identification purpose only*



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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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

Yours faithfully,

**Dai Deming**

**Fu Shula**

**Antony Nigel Tyler**

**Yeung Yin Bernard**

*Independent Board Committee*

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# LETTER FROM ANGLO CHINESE

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## ANGLO CHINESE

CORPORATE FINANCE, LIMITED  
40<sup>th</sup> Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong  
www.anglochinese.com

財務顧問有限公司  
英高

*To the Independent Board Committee and  
the Independent Shareholders of  
BOC Aviation Limited*

5 May 2021

Dear Sirs,

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our appointment 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 for each of the three years ending 31 December 2022, 2023 and 2024, details of which are set out in the letter from the Board contained in the circular of the Company dated 5 May 2021 (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 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.

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## LETTER FROM ANGLO CHINESE

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An Independent Board Committee comprising all four independent non-executive Directors has been established to advise the Independent Shareholders in respect of the terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement, the Continuing Connected Transactions, and the Proposed Annual Caps for each of the three years ending 31 December 2022, 2023 and 2024.

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 Mdm. Zhang Xiaolu and the non-executive Directors of the Company, namely Mr. Chen Huaiyu, Mr. Li Mang, Mr. Liu Chenggang, Mr. Wang Zhiheng and Mdm. 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, including (a) the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement, (b) the Circular, (c) the Prospectus, (d) the Company's 2018 to 2020 annual reports, and (e) other published information of the Company including the Company's announcement dated 3 May 2021 in relation to, among other things, the Continuing Connected Transactions, 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.

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## LETTER FROM ANGLO CHINESE

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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. During the two-year period immediately preceding the Latest Practicable Date, we were appointed as an independent financial adviser to the Company to advise on the annual caps for the Continuing Connected Transactions, details of which were set out in the circular of the Company dated 9 May 2019. Given our independent role and normal professional fees received from the Company under the prior engagement, we are of the view that our independence to act in the present appointment is not affected by the prior engagement.

### **PRINCIPLE FACTORS AND REASONS CONSIDERED**

#### **Background**

Reference is made to the Prospectus and the circular of the Company dated 9 May 2019 disclosing the terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement. Pursuant to the terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement, such agreements came into effect on the Listing Date and shall continue up to and including 31 December 2018, and shall be renewed automatically for successive periods of three years thereafter, subject to the compliance with the then applicable provisions of the Listing Rules. Each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expired on 31 December 2018 and was automatically renewed for a term of three years ending 31 December 2021.

The Company intends to continue to enter into transactions of the same nature after 31 December 2021. The automatic renewal of the term of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement for the three years ending 31 December 2024 shall take effect upon the approval of the respective Continuing Connected Transactions and the Proposed Annual Caps, therefor having been obtained from the Independent Shareholders in accordance with the applicable Listing Rules.

#### **Information of the Group**

The Company is incorporated in Singapore with limited liability and its Shares 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 is a leading global aircraft operating leasing company with a fleet of 553 aircraft owned, managed and on order as at 31 December 2020.

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## LETTER FROM ANGLO CHINESE

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### *Business operations and past financial performance*

Set forth below is a summary of the audited consolidated financial results of the Group for each of the three financial years ended 31 December 2018, 2019 and 2020, as extracted from the Company's annual reports.

	<b>For the year ended 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>Revenue</b>			
– Lease rental income	1,542,539	1,704,280	1,784,486
– Interest and fee income	80,753	99,225	177,384
– Other income <sup>(Note 1)</sup>	102,307	172,447	91,900
<b>Total revenues and other income</b>	<b>1,725,599</b>	<b>1,975,952</b>	<b>2,053,770</b>
<b>Total costs and expenses</b> <sup>(Note 2)</sup>	<b>(1,040,374)</b>	<b>(1,201,026)</b>	<b>(1,490,769)</b>
Profit before income tax	685,225	774,926	563,001
<b>Profit for the year</b>	<b>620,439</b>	<b>702,259</b>	<b>509,841</b>

	<b>For the year ended 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net cash flows from operating activities	1,722,672	1,645,365	1,826,392
Net cash flows used in investing activities	(2,721,636)	(1,931,557)	(4,254,513)
Net cash flows from financing activities	979,850	315,122	2,584,014

*Sources: Annual reports of the Company for the relevant years*

*Notes:*

1. Other income comprises net gain on sale of aircraft and incidental income.
2. Total costs and expenses include depreciation of property, plant and equipment, impairment of aircraft, finance expenses, staff costs, impairment losses on financial assets and other operating costs and expenses.

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 2020. The revenue of the Group increased by approximately US\$328.2 million between the year ended 31 December 2018 and the year ended 31 December 2020, representing a compound annual growth rate ("CAGR") of around 9.1%. Such increase was primarily due to an increase in lease rental income and interest and fee income. The Group's lease rental income increased by 4.7% to US\$1.8 billion in 2020 compared with US\$1.7 billion in 2019. The main driver of the increase in lease rental income was the growth of the Group's fleet to 352 aircraft on operating lease compared with 317 aircraft as at 31 December 2019. The Group's lease rental income

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## LETTER FROM ANGLO CHINESE

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increased by approximately 10.5% to US\$1.7 billion in 2019 compared with US\$1.5 billion in 2018. The rise in lease rental income was mainly due to the full year impact from lease rental income of aircraft assets added in 2018, the lease rental income from additions in aircraft assets in 2019 which saw 12.1% growth in net book value to US\$16.8 billion as at 31 December 2019 from the end of 2018, which were partially offset by forgone lease rental income from sale of aircraft in 2018 and 2019. The Group's interest and fee income also rose significantly to US\$177 million in 2020 from US\$99 million in 2019, primarily due to an increase in fees from pre-delivery payment transactions and interest income on new finance leases for six aircraft. The Group's interest and fee income increased to US\$99 million in 2019 from US\$81 million in 2018 primarily due to an increase in fees from pre-delivery payment transactions.

The Group's profit for the year ended 31 December 2020 was US\$510 million, representing a decrease of approximately 27.4% compared with US\$702 million for the year ended 31 December 2019. The decrease was mainly due to the impact of the Covid-19 pandemic on the Group's airline customers and buyers of the Group's aircraft. Excluding the one-off loss on investment in equity instruments, total costs and expenses rose by approximately 17.6% to US\$1,412 million in 2020 from US\$1,201 million in 2019, primarily due to impairment of aircraft and an increase in depreciation of property, plant and equipment. The loss on equity instruments of US\$79 million was recorded due to realised loss on the sale of the shares of Norwegian Air Shuttle ("NAS") that were issued to the Company in 2020 in connection with the financial restructuring of NAS under which certain present and future receivables under aircraft leases were converted into equity. The Group's profit for the year increased by approximately 13.2% to US\$702 million in 2019 from US\$620 million in 2018 mainly driven by the increase in lease rental income. The increase in total costs and expenses were largely in line with the growth in total revenues and other income.

The Group recorded net cash flows from operating activities of US\$1,722.7 million, US\$1,645.4 million and US\$1,826.4 million for the years ended 31 December, 2018, 2019 and 2020 respectively. Notably, the Group's net cash flows from financing activities increased substantially from US\$315.1 million for the year ended 31 December 2019 to US\$2,584.0 million for the year ended 31 December 2020. In light of this, it is fair and reasonable to expect the changes in the Group's net cash flows generated from operating activities and financing activities will affect the cash level from time to time, which in turns affect the deposit balance of the Group, whether held with the BOC Group (other than the BOCHK Holdings Group), the BOCHK Holdings Group or other financial institutions. As the Group recorded increasing net cash flows generated from operating activities and financing activities in 2020, and the airline industry is expected to gradually recover, we are of the view that it is fair and reasonable to expect the Group to maintain or increase its demand for deposit services for the years ending 31 December 2022, 2023 and 2024.

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## LETTER FROM ANGLO CHINESE

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Set forth below is selected financial data of the Group for each of the three financial years ended 31 December 2018, 2019 and 2020 as extracted from the Company's annual reports:

	<b>As at 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Short-term deposits (unencumbered)	152,936	202,935	181,242
Cash and bank balances (unencumbered)	69,797	48,728	226,314
<b>Cash and cash equivalents</b>	<b>222,733</b>	<b>251,663</b>	<b>407,556</b>

*Sources: Annual reports of the Company for the relevant years*

The Group maintained cash and cash equivalents of approximately US\$222.7 million, US\$251.7 million and US\$407.6 million as at 31 December 2018, 2019 and 2020, respectively, which represents a CAGR of approximately 35.3%.

	<b>As at 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Total current assets	256,731	739,273	655,763
Total non-current assets	17,999,492	19,025,155	22,912,578
<b>Total assets</b>	<b>18,256,223</b>	<b>19,764,428</b>	<b>23,568,341</b>
Total current liabilities	1,708,508	2,140,890	2,157,342
Total non-current liabilities	12,348,689	13,042,624	16,634,199
<b>Total liabilities</b>	<b>14,057,197</b>	<b>15,183,514</b>	<b>18,791,541</b>
<b>Net assets</b>	<b>4,199,026</b>	<b>4,580,914</b>	<b>4,776,800</b>

*Sources: Annual reports of the Company for the relevant years*

As at 31 December 2020, the Group recorded total assets of approximately US\$23.6 billion, including (i) property, plant and equipment and assets held for sale of US\$22.2 billion, (ii) finance lease receivables of US\$685.5 million, (iii) trade receivables of US\$154.8 million, and (iv) cash and short-term deposits of US\$407.6 million. The remaining assets also include lease transaction closing costs, derivative financial instruments, deferred income tax assets, prepayments, income tax receivables and other receivables.

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As at 31 December, 2020, the Group recorded total liabilities of US\$18.8 billion, including (i) loans and borrowings of US\$16.7 billion, (ii) security deposits and non-current deferred income of US\$343.9 million, (iii) derivative financial instruments of US\$218.1 million, (iv) trade and other payables of US\$187.0 million, and (v) deferred income tax liabilities of US\$464.9 million. The remaining liabilities include current deferred income, income tax payables, lease liabilities, liabilities associated with assets held for sale and maintenance reserves.

### **Information of BOC**

BOC is a joint stock limited company incorporated in the People's Republic of China, the H-shares and A-shares of which are listed on the Stock Exchange (Stock Code: 3988) and the Shanghai Stock Exchange (Stock Code: 601988), 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 2020, BOC recorded a total asset of approximately RMB24,402,659 million (equivalent to approximately HK\$28,995,555 million) and capital and reserves attributable to equity holders of the bank of approximately RMB2,038,419 million (equivalent to approximately HK\$2,422,076 million) according to the annual report for the year ended 31 December 2020 published on 27 April 2021. As at the Latest Practicable Date, the market capitalisation of H-shares and A-shares of BOC was approximately HK\$258,393 million and RMB684,988 million (equivalent to approximately HK\$821,693 million) respectively.

We have reviewed the credit ratings of BOC of A and A-1 with a stable outlook from S&P Global Ratings, and a credit rating of A1 and P-1 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 compared with that of 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 2020, BOCHK Holdings recorded total assets of approximately HK\$3,320,981 million and capital and reserves attributable to equity holders of the company of approximately HK\$290,302 million according to its annual report for the year ended 31 December 2020 published on 13 April 2021. As at the Latest Practicable Date, the market capitalisation of BOCHK Holdings was approximately HK\$289,694 million.



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We have reviewed the credit ratings of BOCHK Holdings of A+ long-term and A-1 short-term with a stable outlook from S&P Global Ratings, and a credit rating of Aa3 long-term and P-1 short-term with a stable outlook from Moody's Investors Service. Accordingly, we consider that BOCHK Holdings' ability to honour its undertaking in favour of the Group is strong and the credit risks are not less controllable compared with that to other financial entities.

Based on the above, we concur with the Company that placing deposits with BOC and BOCHK, who are licensed, reputable and long-established commercial banks in Mainland China and Hong Kong, are in ordinary and usual course of its business.

### **Key terms of BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement**

We have reviewed the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement, and noted that the principal terms of the two agreements are substantially the same. The principal terms of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement are set out below:

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 term of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement expired on 31 December 2018, which was automatically renewed for a term of three years with effect from 1 January 2019.

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3. Each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement will expire 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.
4. The proposed renewal of each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement is for a term of three years with effect from 1 January 2022, 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 2024.

### **Reasons for, and benefits of, the renewal of the Continuing Connected Transactions and the Proposed Annual Caps**

#### *Continuing Connected Transactions*

The main business of the Company is capital intensive which requires significant investments and borrowings in order to grow and to maintain a young aircraft fleet. Accordingly, the cash flows from its operations, particularly revenues from operating leases of aircraft, have historically provided a significant portion of the liquidity for these investments. The Company also receives from time to time large cash amounts from the sales of aircraft.

Bank deposit services are therefore essential to the day to day operations of the Group, and the Group deposits funds with a number of financial institutions in the ordinary and usual course of its business. 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. We note that the deposits could be placed with BOC and BOCHK by the Group on a voluntary and non-exclusive basis. Therefore, it provides the Group with the flexibility to source the services from other banks and make its selection according to the interest rates being offered. Placing deposits with the BOC Group on normal commercial terms could therefore diversify the business relationships with commercial banks. In this regard, we consider the Continuing Connected Transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement to be in the Company's ordinary and usual course of business, and in the interests of the Independent Shareholders.

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) and the BOCHK Holdings Group pursuant to the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement, respectively, representing the maximum daily balance of deposits (including the interest accrued thereon) for the three years ending 31 December 2022, 2023 and 2024 will each not exceed US\$500 million, thereby maintaining the current annual caps.

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### *Proposed Annual Caps*

In formulating the Proposed Annual Caps, the Board 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 financing needs of the Group over the next three years;
- (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.

Accordingly, in assessing fairness and reasonableness, we have considered the following factors in arriving at our recommendations regarding the Continuing Connected Transactions and the Proposed Annual Caps:

- *Historical annual caps and transaction amounts, and Proposed Annual Caps for future transaction amounts*

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, and the utilisation rate of the respective caps for each of the five years ended 31 December 2020:

	<b>Year ended 31 December</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>
<b>BOC Group (other than the BOCHK Holdings Group) annual caps</b>	500	500	500	500	500
Highest daily outstanding balance of the bank deposits on any given day during the year	497	499	145	113	494
Utilisation rate of annual caps	99.4%	99.8%	29.0%	22.6%	98.8%

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	<b>Year ended 31 December</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>
<b>BOCHK Holdings</b>					
<b>Group annual caps</b>	500	500	500	500	500
Highest daily outstanding balance of the bank deposits on any given day during the year	335	296	146	209	493
Utilisation rate of annual caps	67.0%	59.2%	29.2%	41.8%	98.6%

As shown in the above table, the utilisation rate based on the historical maximum daily balance of the deposits of the Group with the BOC Group during the years ended 31 December 2016, 2017 and 2020 are close to the Proposed Annual Caps. Despite the maximum daily balance of the deposits with the BOC Group being comparatively lower in 2018 and 2019, we understand that the Company continued to use a significant amount of deposit services from other deposit-taking banks during that period, which was in line with the Company's internal policies of selecting the most competitive rates.

Further we note that in 2020, the highest daily outstanding balance of the bank deposits with the BOC Group (other than the BOCHK Holdings Group) increased by approximately 337% compared with 2019, which accounted for a utilisation rate of approximately 98.8% in 2020. The highest daily outstanding balance of the bank deposits with the BOCHK Holdings Group increased by approximately 136% compared with 2019, which accounted for a utilisation rate of approximately 98.6% for 2020. In our view, this supports the renewal of the Continuing Connected Transactions and the Proposed Annual Caps, which would allow the Company to place bank deposits with BOC and BOCHK if they offered competitive rates and would be in the interests of the Independent Shareholders as a whole.

- *The existing demand for deposit services of the Group, and the expected growth of the Group's business and the financing needs of the Group over the next three years*

As discussed above, the Group deposits funds with a number of financial institutions are in the ordinary and usual course of its business. The Group's cash and short-term deposits, which were mainly denominated in U.S. dollars, increased to US\$408 million as at 31 December 2020 from US\$287 million as at 31 December 2019. Such increase was mainly attributable to the total net cash inflows from

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operating activities, financing activities, and proceeds from sale of property, plant and equipment, having been greater than the cash outflows from capital expenditure during 2020. Therefore, bank deposit services are essential to the day-to-day operations of the Group.

In terms of the expected growth of the Group's business and the financing needs of the Group over the next three years, the Company's 2020 annual report disclosed that the Group committed to purchase 97 aircraft for the year ended 31 December 2020. The Group was also active in the purchase and leaseback market with capital expenditure at a record level of US\$4.6 billion in 2020. As at 31 December 2020, the Group had an orderbook of 155 aircraft and its estimated total contractual capital expenditure commitments for 2021, 2022, 2023 and 2024 is US\$3.7 billion, US\$0.2 billion, US\$2.1 billion and US\$0.9 billion respectively. Such capital expenditure figures for each year include anticipated escalation and are net of advance payments made before 31 December 2020. Subsequent to 31 December 2020, the Group entered into an agreement with InterGlobe Aviation Limited on 26 February 2021 pursuant to which it agreed to purchase eight Airbus A320NEO aircraft from InterGlobe Aviation Limited and to lease the aircraft back to InterGlobe Aviation Limited.

The above aircraft purchase commitments are expected to be financed through a range of funding sources, including (a) cash flows generated from the operating activities of the Group, (b) proceeds from the notes issuance from debt capital markets, such as the issuance of US\$2.9 billion of notes under the US\$15 billion Global Medium Term Note Program in 2020, (c) amounts drawn down under various existing bank financing facilities and (d) net proceeds from sales of aircraft. As disclosed in the Company's 2020 annual report, the Group enjoys access to and continued support from a large group of lenders comprising over 70 financial institutions. As at 31 December 2020, the Group's loans and borrowings amounted to US\$16.7 billion, a 25% increase from US\$13.3 billion as at 31 December 2019 to finance the increase in capital expenditure, and the Group had US\$5.7 billion in committed unsecured revolving credit facilities including a US\$3.5 billion facility from Bank of China which matures in December 2026. As such, it is reasonable to expect that the Company will require substantial bank deposit services from time to time as part of its normal business operations, such as when it draws on its loans and borrowings or when it receives funds from the issuance of notes, in the three years ending 31 December 2022, 2023 and 2024.

Aircraft sales is one of the Group's source of income, and investor demand for purchasing leased aircraft is a primary driver of the Group's aircraft sales programme. In turn, the availability of equity and the availability and cost of financing underpin investor demand for the purchase of leased aircraft. Since the onset of Covid-19 in the first quarter of 2020, investor demand for leased aircraft was significantly reduced. Nonetheless, the Group was able to sell 12 aircraft in 2020, and generated gains on sale of more than US\$44 million. Proceeds from the

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sale of aircraft amounted to US\$376 million in 2020. In the first quarter ended 31 March 2021, the Company sold six owned and one managed aircraft. It is understood that Company will continue to sell aircraft as part of its business strategy in the years ending 31 December 2022, 2023 and 2024. Therefore, we are of the view that there is an essential need for the bank deposit services owing to the cash amounts to be generated from time to time as part of the normal business operations of the Group over the next three years.

Having considered the above factors in assessing the fairness and reasonableness of the Proposed Annual Caps, we consider the renewal of the Continuing Connected Transactions and 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 note that the Company has adopted the following internal control policies and measures in relation to connected transactions:

- (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 review the continuing connected transactions and 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), 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 Company Secretary, or (d) which are part of a larger

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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, and must be reported to the Company Secretary using the notification form provided in the corporate governance manual;

- (v) the threshold in paragraphs (iv)(c) and (iv)(d) above will be reviewed periodically and may be revised from time to time; and
- (vi) a system is in place to monitor the Company's 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 to ensure that the deposit is placed with the institution providing the best quote. Before finalising the transaction, the Settlement Department checks and confirms the transaction details. We have reviewed six sets of the quotations and settlements samples randomly selected from recent transactions during the years ended 31 December 2019 and 2020, and recent transactions in 2021, where the BOC Group (other than the BOCHK Holdings Group) or the BOCHK Holdings Group 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, which is in line with its internal control procedures and has ensured that the interest rates for bank deposits placed with the BOC Group (other than the BOCHK Holdings Group) and the BOCHK Holdings Group are no less favourable than those provided by independent financial institutions.

As advised by the Company, the Internal Audit Department undertakes audits for compliance with the Company's risk management and internal control systems. The Internal Audit Department audits the Treasury Department, including the system mentioned above, in accordance with their audit plan.



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## LETTER FROM ANGLO CHINESE

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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.

### **Measures to ensure compliance with the Listing Rules**

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will separately conduct an annual review and issue confirmations regarding the Continuing Connected Transactions of the Company each year. We have reviewed the Company's 2018 to 2020 annual reports, and note that the independent non-executive Directors and the auditor of the Company have reviewed the Continuing Connected Transactions, including transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement 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 Continuing Connected Transactions and to safeguard the interests of the Independent Shareholders.

### **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 their undertakings in favour of the Group is strong, and the credit risks are not less controllable compared with that of other financial entities;
- (ii) the Proposed Annual Caps are the same as the current annual caps for the years ended 31 December 2019 and 2020, and the year ending 31 December 2021;
- (iii) the Proposed Annual Caps are close to the historical maximum daily balance of the deposits of the Group with the BOC Group (excluding the BOCHK Holdings Group) and the BOCHK Holdings Group for the year ended 31 December 2020;
- (iv) the current annual caps if not maintained would restrict the Company from accepting better deposit terms from the BOC Group (excluding the BOCHK Holdings Group) or the BOCHK Holdings Group 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 provide 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,



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## LETTER FROM ANGLO CHINESE

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we consider that the terms of the Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable, the Continuing Connected Transactions are entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend and we also recommend the Independent Shareholders to vote in favour of the resolutions 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**  
**Raymond Cheung**  
*Director*

*Note: Mr. Raymond Cheung 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 nine 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 OFFICER'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at the Latest Practicable Date, the interests of the Directors and the Chief Executive Officer and their respective associates 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) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be 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, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

**Long position (ordinary Shares)**

<b>Name of Director</b>	<b>Number of underlying Shares held under equity derivatives</b>	<b>Approximate percentage of total issued share capital (%)</b>
Mr. Robert James MARTIN	616,243	0.09

*Note: As at the Latest Practicable Date, Mr. Martin had a beneficial interest in a total of 616,243 Shares, which included 416,870 Shares representing RSUs granted but which have not yet vested in accordance with the terms and conditions of the RSU Plan.*

Save as disclosed above, none of the Directors has any 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.

**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:

<b>Name</b>	<b>Qualification</b>
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 2020 (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 2020, 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 2020 (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 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.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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**

#### 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 by electronic means on Thursday, 3 June 2021 at 2:30 p.m., or immediately after the conclusion of the Company’s annual general meeting to be held on the same day, for the purpose of transacting the following business:

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

1. “THAT

- (a) the automatic renewal of the term of the BOC Deposit Framework Agreement (as defined in the circular of the Company dated 5 May 2021 (the “**Circular**”)) for the three years ending 31 December 2024 and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed in all respects;
- (b) the Proposed Annual Cap (as defined in the Circular) in relation to the transactions contemplated under the BOC Deposit Framework Agreement for each of the three years ending 31 December 2024 as set out in the Circular be and are hereby confirmed and approved.”

2. “THAT

- (a) the automatic renewal of the term of the BOCHK Deposit Framework Agreement (as defined in the Circular) for the three years ending 31 December 2024 and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed in all respects;
- (b) the Proposed Annual Cap (as defined in the Circular) in relation to the transactions contemplated under BOCHK Deposit Framework Agreement for each of the three years ending 31 December 2024 as set out in the Circular be and are hereby confirmed and approved.”

\* For identification purpose only

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Special measures for the Extraordinary General Meeting

Given the evolving Covid-19 situation including the social distancing measures and travel restrictions in Singapore and Hong Kong, the Board considers it to be in the interests of the Company and our Shareholders to convene the Meeting by electronic means in order to help ensure the health and well-being of our Shareholders and employees.

The arrangements for the Meeting, which are in line with the Singapore Covid-19 (Temporary Measures) Act 2020 with regards alternative arrangements for general meetings of companies, are as follows:

1. The Meeting will be held by electronic means.
2. The Meeting will only include the formal business of the Meeting.
3. **It will not be possible for Shareholders to attend the Meeting in person.**
4. **Shareholders will only be able to vote by submitting a proxy form in advance of the Meeting. To ensure that their vote counts, Shareholders should only appoint the Chairman of the Meeting to act as their proxy. If a Shareholder appoints a person other than the Chairman of the Meeting as their proxy, that other proxy will not be able to vote at the Meeting. Details of how to submit a proxy form, and the deadline for doing so, are set out on page 38. We strongly encourage all shareholders to submit their proxies as early as possible.**
5. Shareholders are invited to join the Meeting via a conference call or live webcast facility. To participate in the Meeting, Shareholders are required to pre-register their attendance.

#### Pre-registration for registered Shareholders

Registered Shareholders should pre-register their attendance by email to [information@bocaviation.com](mailto:information@bocaviation.com). Please quote your full name and contact details in the email. After successful verification, authenticated Shareholders will receive details of the conference call and live webcast facility.

#### Pre-registration for non-registered Shareholders

Non-registered Shareholders should (1) contact and instruct their banks, brokers, custodians, nominees or any other intermediary through which their shares are held (together, “Intermediary”) to appoint themselves as proxy or corporate representative to attend the Meeting and (2) provide their e-mail address to their Intermediary before the time limit required by the relevant Intermediary. The Intermediary should liaise with HKSCC Nominees Limited or the Company’s Hong Kong Share Registrar, as the case may be, for details of the conference call and live webcast facility.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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The conference call and live webcast facility is exclusively for Shareholders. Please do not share the details of the conference call and live webcast facility with anyone who is not a Shareholder. Shareholders can enter the conference call or live webcast from 1:30 p.m., 30 minutes prior to the commencement of the Company's annual general meeting to be held on the same day.

6. Shareholders are invited to submit any questions for the Board in advance of the Meeting by email to [information@bocaviation.com](mailto:information@bocaviation.com). The Board will endeavour, where appropriate, to address such questions at or prior to the Meeting. Questions should be received by 27 May 2021. Please quote your full name and contact details in the query.
7. A video recording of the Meeting will be made available on the website of the Company at [www.bocaviation.com](http://www.bocaviation.com) as soon as practicable after the Meeting.

The Board will continue to monitor the situation and may, if necessary, need to make further changes to the arrangements for the Meeting. Shareholders are encouraged to continue to monitor the Company's announcements and the Investors section of the Company's website at [www.bocaviation.com](http://www.bocaviation.com) which we will use to update our Shareholders. You are also welcome to send any enquiries to [information@bocaviation.com](mailto:information@bocaviation.com).

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

Hong Kong, 5 May 2021

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*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. On a poll, every shareholder present by proxy shall have one vote for each share which he or she holds or represents.
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 the Meeting.
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 31 May 2021 to 3 June 2021 (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 28 May 2021.
5. The full text of the Resolutions 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 5 May 2021 (the "**Circular**"). The Circular can also be viewed and downloaded from the website of the Company at [www.bocaviation.com](http://www.bocaviation.com) or the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://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.