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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

**SUPPLEMENTARY ANNOUNCEMENT
IN RELATION TO
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Company's announcement dated 20 February 2019 (the "**Announcement**") in relation to continuing connected transactions. Supplementary information relating to such continuing connected transactions is set out in this announcement.

Reference is made to the Announcement in relation to continuing connected transactions. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

**THE BOC DEPOSIT FRAMEWORK AGREEMENT AND THE BOCHK
DEPOSIT FRAMEWORK AGREEMENT**

Annual caps

Following the publication of the Announcement, the Company has determined that the annual caps stated in the Announcement should be revised as follows:

1. The annual caps for the deposits to be placed with BOC Group (other than the BOCHK Holdings Group) pursuant to the BOC Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 has been revised and will each not exceed US\$125 million.

* *For identification purposes only*

2. The annual caps for the deposits to be placed with BOCHK Holdings Group pursuant to the BOCHK Deposit Framework Agreement, representing the maximum daily balance of deposits (including the interest accrued thereon), for the three years ending 31 December 2019, 2020 and 2021 has been revised and will each not exceed US\$125 million.

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

Based on the revised annual caps stated above and with reference to the market capitalisation of the Company at the time when the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement were automatically renewed on 1 January 2019, the highest applicable percentage ratio in respect of the annual caps for the transactions, on an aggregated basis, is more than 0.1% but less than 5% of applicable tests. Therefore, the continuing connected transactions under the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The Company confirms that during the period from 1 January 2019 to the date of this announcement, the maximum daily balance of deposits (including the interest accrued thereon) under each of the BOC Deposit Framework Agreement and the BOCHK Deposit Framework Agreement has not exceeded the relevant annual cap amount as set out in this announcement.

Internal controls

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 relevant annual cap amount as set out in this announcement 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.

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

Hong Kong, 25 February 2019

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