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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**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE PURCHASE OF  
THREE AIRCRAFT**

The Board is pleased to announce that the Company has entered into agreements with Qatar Airways on 9 November 2017 for the purchase of three Boeing 777-300ER aircraft, which will be leased back to the airline. The Transaction constitutes a discloseable transaction of the Company under the Listing Rules.

**1. Introduction**

The Board is pleased to announce that the Company has entered into the Agreements with Qatar Airways and a subsidiary of Qatar Airways, pursuant to which the Company has agreed to purchase the Aircraft from Qatar Airways (or a subsidiary) and to lease the Aircraft back to Qatar Airways upon completion of the purchase.

**2. Details of the Agreements**

**(a) Aircraft in the Transaction**

Three Boeing 777-300ER aircraft.

**(b) Consideration**

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.58(4) of the Listing Rules in respect of disclosure of the consideration for the Transaction.

\* *For identification purpose only*

As an alternative to disclosing the consideration for the Transaction, the Company will disclose the appraised value of the Aircraft.

The aggregate full life current market appraised value of the Aircraft (as an average of valuations obtained from three independent appraisers) is approximately US\$479 million.

The Company is subject to a strict confidentiality obligation to Qatar Airways with regard to the actual purchase price of the Aircraft under the Agreements. The actual purchase price of the Aircraft under the Agreements is confidential information and was established following an arm's length negotiations between the Company and Qatar Airways, taking into account the terms and conditions of the Transaction as a whole and with reference to market conditions and the appraised values of the Aircraft described in the preceding paragraph. It is normal business practice in the global aviation industry for the actual purchase price for the acquisition of aircraft not to be disclosed.

The actual consideration was agreed by Qatar Airways taking account of the price paid by it to Boeing for the Aircraft (the "**Original Purchase Price**"). Qatar Airways is under a strict obligation of confidentiality to Boeing with regard to the Original Purchase Price and disclosure of the actual consideration under the Agreements will give an indication of the Original Purchase Price. The Company is also concerned that disclosure of actual pricing could prejudice its future relationship with Boeing for purchase of new aircraft. It would therefore not be in the interests of the Company and the shareholders as a whole to disclose such information.

**(c) Profits attributable to the Aircraft**

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.58(7) of the Listing Rules in respect of disclosure of net profit attributable to the Aircraft.

The Company is unable to disclose the net profits attributable to the Aircraft prior to the Transaction as the Aircraft were owned and operated by Qatar Airways whose principal business is providing scheduled air transportation services.

The Company has requested Qatar Airways to provide the information required to determine the net profits attributable to the Aircraft but Qatar Airways has advised that it cannot provide information on revenues and costs associated with specific aircraft in its fleet as such information is highly confidential in nature

and, in addition, it would require an extremely complex and arbitrary allocation of both revenues from ticket sales (across a wide variety of routes) and costs including financing costs, taxes, fuel costs, maintenance costs, depreciation and general overheads.

**(d) Payment and delivery terms**

The consideration for each Aircraft is payable in cash upon completion of the Transaction which is expected to occur in November 2017.

**(e) Source of funding**

The consideration for the Transaction was funded through cash on hand, the proceeds of loans and other borrowings by the Company and cash generated from the Company's business operations.

**3. Reasons for, and benefits of, the Transaction**

The Directors are of the view that the Transaction is in line with the growth strategy of the Company and enables the Company to build its balance sheet and its core lease rental contribution by investing in modern, efficient, in-demand aircraft on long-term lease to one of the world's top airlines. The Transaction is conducted in the ordinary course of business of the Group.

The Directors confirm that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole and the Transaction will have no material adverse impact on the operations and financial position of the Group.

**4. Information about Qatar Airways**

Qatar Airways is principally engaged in the business of operation of scheduled airline services.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Qatar Airways is a third party independent of the Company and of connected persons of the Company.

**5. Information about the Company**

The Company is a leading global aircraft operating leasing company with a fleet of 499 aircraft owned, managed or on order as at 30 September 2017.

## 6. Listing Rules implications of the Transaction

As one of the relevant percentage ratios under Rule 14.07 of the Listing Rules for the Transaction is more than 5% but all relevant percentage ratios are less than 25%, the Transaction constitutes a discloseable transaction for the Company, and is therefore subject to only the notification and announcement requirements under the Listing Rules.

## 7. Definitions

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

“Agreements”	collectively, the purchase agreements in respect of each Aircraft entered into by the Company and Qatar Airways (or in respect of one of the Aircraft, a subsidiary of Qatar Airways) on 9 November 2017
“Aircraft”	three Boeing 777-300ER aircraft
“Board”	the board of Directors
“Boeing”	The Boeing Company, a corporation organised and existing under the General Corporation Law of the State of Delaware, U.S.A., the principal activity of which is aircraft manufacturing
“Company”	BOC Aviation Limited, a company incorporated under the laws of Singapore with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Qatar Airways”	Qatar Airways Q.C.S.C., an airline principally engaging in the business of operation of scheduled airline services with its headquarters in Doha
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transaction”                      the purchase of the Aircraft pursuant to the Agreements  
“US\$”                                  United States dollars, the lawful currency of the United  
   States of America

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

Hong Kong, 10 November 2017

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