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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 FOUR AIRCRAFT**

The Board is pleased to announce that the Company has entered into the Agreement with Boeing on 29 June 2017 pursuant to which the Company has agreed to purchase four new Boeing 787-9 aircraft from Boeing. 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 Agreement with Boeing on 29 June 2017 pursuant to which the Company has agreed to purchase the Aircraft from Boeing.

**2. Details of the Agreement**

**(a) Aircraft in the Transaction**

Four new Boeing 787-9 aircraft.

**(b) Consideration**

The aggregate list price of the Aircraft is approximately US\$1,081.6 million. The aircraft list price comprises the airframe price, optional features price and engine price. Such information is generally publicly available.

There is a significant difference between the list price of the Aircraft and the actual purchase price of the Aircraft under the Agreement. The actual purchase price of the Aircraft under the Agreement was established in an arm's length transaction, taking into account the terms and conditions of the Transaction as a whole and with reference to market conditions.

*\*For identification purpose only*

The difference between the price of the Aircraft under the Agreement and the list price of the Aircraft is a result of many different factors, the most important of which is that a purchaser of a new aircraft from a manufacturer would usually be granted a significant discount against list price by the manufacturer. Based on the Company's industry understanding, the discount against list price granted by a manufacturer to an aircraft purchaser is commercially sensitive information and is usually determined on the basis of certain variables and after arm's length negotiations between the aircraft purchaser and the manufacturer.

The difference between the list price of the Aircraft and the actual purchase price of the Aircraft under the Agreement is not materially different, in percentage terms, from the discount against list price that the Company has obtained in previous purchases of new aircraft from Boeing. As a result of such discount, the actual purchase price of the Aircraft is lower than the list price of such Aircraft.

The Company is subject to a strict confidentiality obligation with regard to the purchase price of the Aircraft under the Agreement. Boeing would not be willing to offer the same discount to the Company if the Company were required to disclose the purchase price of the Aircraft under the Agreement. Disclosure of the purchase price of the Aircraft could also result in the loss of the significant discount against list price that may be granted by Boeing to the Company for future purchases and could therefore adversely affect the business operation of the Company.

It is normal business practice in the global aviation industry for the aircraft list price, instead of the actual purchase price, to be disclosed for the acquisition of new aircraft.

The difference between actual price and list price will mainly affect the depreciation of the Aircraft in the future operating costs of the Company. The Company believes that the price difference will have no material adverse impact on the Company's future operating costs taken as a whole.

In view of the above, 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 relation to the requirement to disclose the actual aggregate purchase price of the Aircraft.

**(c) Payment and delivery terms**

The purchase price for each Aircraft is payable in different stages from the date of the Agreement until delivery of such Aircraft. The Company expects to take delivery of the Aircraft during 2019.

(d) **Source of funding**

The Transaction will be funded through cash on hand, the proceeds of loans or other borrowings by the Company and/or cash generated from the Company's business operations.

3. **Aircraft Purchase Mandate**

The Directors have been granted the Aircraft Purchase Mandate to enter into commitments to purchase new aircraft from Airbus S.A.S. and Boeing during the Mandate Period, further details of which are set out in the Circular.

The Transaction is made pursuant to and in accordance with the terms of the Aircraft Purchase Mandate. As at the date of this Announcement, save for the Aircraft to be purchased pursuant to the Transaction, the Company has not committed to purchasing any aircraft from Boeing pursuant to the Aircraft Purchase Mandate.

Accordingly, as at the date of this Announcement, upon signing of the Agreement, the Company would have purchased a cumulative number of equivalent to 10 single-aisle aircraft (each Boeing 787 family aircraft is equivalent to 2.5 single-aisle aircraft under the Aircraft Purchase Mandate) from Boeing with an aggregate list price of approximately US\$1,081.6 million pursuant to the Aircraft Purchase Mandate.

4. **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. The Transaction will enable the Company to build its balance sheet and its core lease rental contribution by investing in modern, efficient, in-demand aircraft. 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 Company's operations and financial position.

5. **Information About Boeing**

Boeing is principally engaged in the business of aircraft manufacturing.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Boeing and its ultimate beneficial owner are third parties independent of the Company and of connected persons of the Company.

## 6. Information About the Company

The Company is a leading global aircraft operating leasing company with a fleet of 494 aircraft owned, managed or on order as at 31 March 2017.

## 7. 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 of the Company, and is therefore subject to only the notification and announcement requirements under the Listing Rules.

## 8. Definitions

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

<b>“Agreement”</b>	the agreement dated 29 June 2017 entered into between the Company and Boeing pursuant to which the Company has agreed to purchase the Aircraft from Boeing
<b>“Aircraft”</b>	four new Boeing 787-9 aircraft to be purchased by the Company pursuant to the Agreement
<b>“Aircraft Purchase Mandate”</b>	the general mandate granted to the Directors by way of ordinary resolution of the Shareholders in general meeting on 31 May 2017, to purchase aircraft from Airbus S.A.S. and Boeing during the Mandate Period, the terms of which are set out in the Circular
<b>“Board”</b>	the board of Directors
<b>“Boeing”</b>	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.
<b>“Circular”</b>	the Circular (Notice of Annual General Meeting and Proposals of Re-Election of Directors, General Mandates to Repurchase and to Issue Share, and Aircraft Purchase Mandate) from the Company dated 26 April 2017

<b>“Company”</b>	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
<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Listing Rules”</b>	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Mandate Period”</b>	the period from 31 May 2017 until the earliest of (a) the conclusion of the next annual general meeting of the Company, (b) the end of the period within which the Company is required by its constitution or any applicable laws to hold its next annual general meeting and (c) the date on which the Aircraft Purchase Mandate is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Transaction”</b>	the purchase of the Aircraft pursuant to the Agreement
<b>“US\$”</b>	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, 30 June 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.*