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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
RELATING TO THE SALE OF TWO LEASED AIRCRAFT**

The Board is pleased to announce that that the Company has entered into the Aircraft Sale Agreement with certain subsidiaries of a third party aircraft leasing company pursuant to which the Company has agreed to sell the Relevant Aircraft to the Buyer and to concurrently transfer the leases between the Company's subsidiary and the Lessee in respect of the Relevant Aircraft to the Buyer. The Transaction constitutes a discloseable transaction of the Company under the Listing Rules.

1. Introduction

The Board is pleased to announce that BOC Aviation Limited (the “**Company**”) has entered into the Aircraft Sale Agreement with certain subsidiaries of a third party aircraft leasing company (the “**Buyer**”) pursuant to which the Company has agreed to sell the Relevant Aircraft that are leased to a particular airline (the “**Lessee**”) to the Buyer and to concurrently transfer the leases between the Company's subsidiary and the Lessee in respect of the Relevant Aircraft to the Buyer (the “**Transaction**”).

2. Details of the Aircraft Sale Agreement

(a) Aircraft to be sold

The Relevant Aircraft are two twin-aisle aircraft leased to a particular airline customer. The Relevant Aircraft will be sold to the Buyer and the leases between the Company's subsidiary and the Lessee in respect of the Relevant Aircraft will also be transferred to the Buyer concurrently.

(b) Consideration

The consideration for the sale of the Relevant Aircraft is US\$188 million before final closing adjustments. The consideration for the Transaction 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.

The aggregate net book value and the aggregate gain or loss on the sale of the Relevant Aircraft is commercially sensitive information as is the aggregate net profits (both before and after tax) attributable to the Relevant Aircraft.

The gain or loss expected to accrue to the Company from the sale of the Relevant Aircraft subject to the Transaction will be disclosed on an aggregated basis together with any other aircraft sold by the Company in the Company's annual financial statements for the year ending 31 December 2016.

The Company has therefore applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (a) Rule 14.58(6) in relation to the requirement to disclose the net book value of the Relevant Aircraft, (b) Rule 14.58(7) in relation to the requirement to disclose the net profits attributable to the Relevant Aircraft and (c) Rule 14.60(3) in relation to the requirement to disclose the gain or loss on the sale of the Relevant Aircraft.

(c) Payment and delivery terms

The consideration for the sale of each of the Relevant Aircraft is payable in cash upon delivery of the Relevant Aircraft.

3. Reasons for, and Benefits of, the Transaction

The Directors are of the view that the Transaction is in line with the strategy of the Group to sell our aircraft to mitigate risks in our aircraft portfolio, to generate gains on sale and to reinvest the sale proceeds in new aircraft investments. 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 not have any material adverse impact on the financial position and operations of the Group.

4. Use of Proceeds

The proceeds of the Transaction will be used by the Company to fund future aircraft investments and for general corporate purposes.

5. Information About the Buyer

The Buyer is principally engaged in aircraft leasing business.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Buyer 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 483 aircraft owned, managed or on order as at 30 June 2016.

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:

“Aircraft Sale Agreement”	The agreements entered into between 13 September and 23 September 2016 by the Company and the Buyer pursuant to which the Company has agreed to sell the Relevant Aircraft and to novate the lease agreements attached to the Relevant Aircraft entered into between the Company's subsidiary and the Lessee
“Board”	The board of Directors
“Buyer”	Certain subsidiaries of an independent third party aircraft leasing company who would purchase, and accept the novation of the lease with Lessee of, the Relevant Aircraft under the Aircraft Sale Agreement

“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
“Lessee”	The airline customer of the Company that has leased the Relevant Aircraft from the Company’s subsidiary
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Relevant Aircraft”	The two twin-aisle aircraft to be sold to the Buyer by the Company pursuant to the Aircraft Sale Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	The sale and novation of the lease of the Relevant Aircraft pursuant to the Aircraft Sale Agreement
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
BOC Aviation Limited
Chan Victor Sun Ho
Company Secretary

Hong Kong, 28 September 2016

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 Genshan as Executive Directors, Mr. Li Mang, Mr. Liu Chenggang and Ms. Zhu Lin as Non-executive Directors and Mr. Fu Shula, Mr. Antony Nigel Tyler and Mr. Dai Deming as Independent Non-executive Directors.

** For identification purpose only*