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CHINA DEVELOPMENT BANK LEASING

國銀金融租賃股份有限公司*

CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 1606)

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO THE PURCHASE AND LEASEBACK
OF FOURTEEN AIRCRAFT**

The Board is pleased to announce that CDBALF, a wholly-owned subsidiary of the Company, has entered into the Purchase and Leaseback Agreements with the Lessee on 16 November 2017, pursuant to which CDBALF has agreed to purchase five new A320neo aircraft from the Lessee and lease each aircraft back to the Lessee upon delivery. In addition, CDBALF has agreed the terms of a Letter of Intent with the Lessee on the same day, pursuant to which CDBALF will purchase additional nine new A320neo aircraft from the Lessee and lease each aircraft back to the Lessee upon delivery. The Letter of Intent will not be legally binding and will be subject to the Company and CDBALF's internal approvals.

Pursuant to Chapter 14 of the Listing Rules, the highest applicable percentage ratio for the transactions under the Purchase and Leaseback Agreements exceeds 5% but less than 25%, such transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the shareholders' approval requirement.

* *CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD. is (a) not an authorized institution within the meaning of the Banking Ordinance; (b) not authorized to carry on banking/ deposit-taking business in Hong Kong; and (c) not subject to the supervision of the Hong Kong Monetary Authority.*

1. INTRODUCTION

The Board is pleased to announce that CDBALF, a wholly-owned subsidiary of the Company, has entered into the Purchase and Leaseback Agreements with the Lessee on 16 November 2017, pursuant to which CDBALF has agreed to purchase five new A320neo aircraft from the Lessee and lease each aircraft back to the Lessee upon delivery. In addition, CDBALF has agreed the terms of a Letter of Intent with the Lessee on the same day, pursuant to which CDBALF will purchase additional nine new A320neo aircraft (together with the other five new A320neo aircraft, the “**Aircraft**”) from the Lessee and lease each aircraft back to the Lessee upon delivery. The Letter of Intent will not be legally binding and will be subject to the Company and CDBALF’s internal approvals. The Company intends to make a further announcement with respect to such nine aircraft in due course pursuant to the Listing Rules.

2. DETAILS OF THE TRANSACTIONS (INCLUDING 14 AIRCRAFT UNDER THE PURCHASE AND LEASEBACK AGREEMENTS AND THE LETTER OF INTENT)

(a) Aircraft under the Transactions

14 A320neo aircraft

(b) Consideration

The aggregate list price of the Aircraft is approximately US\$1,517.6 million (equivalent to approximately HK\$11,848.4 million), consisting of US\$542 million for the five aircraft under the Purchase and Leaseback Agreements and US\$975.6 million for the nine aircraft under the Letter of Intent. The aircraft list price comprises the airframe price, optional features price, engine price and forecast escalation and such information is generally publicly available. There is a significant price difference between the list price of the Aircraft and the actual purchase price of the Aircraft. The actual purchase price of the Aircraft was determined after arm’s length negotiations between CDBALF and the Lessee, taking into account the terms and conditions of the Transactions as a whole and with reference to market conditions.

Based on the Company’s industry understanding, the difference between the actual purchase price of the Aircraft and the list price of the Aircraft is a result of many different factors and the most important of which is that aircraft purchaser would usually be granted significant price adjustments by the manufacturer. Based on the Company’s industry understanding, the price adjustments to the aircraft list price granted by the manufacturer to aircraft purchaser are commercially sensitive information and such price adjustments are usually determined based on certain variables and after arm’s length negotiations between the aircraft purchaser and the manufacturer.

The Company believes that the difference between the list price of the Aircraft and the actual purchase price of the Aircraft 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 the same manufacturer (namely Airbus S.A.S). The actual purchase price for each Aircraft is lower than the respective list price of such Aircraft.

CDBALF is subject to strict confidentiality provisions with regard to the actual purchase price of the Aircraft to the Lessee. The Lessee is also subject to strict confidentiality provisions with regard to the actual purchase price of the Aircraft under the Original Purchase Contracts to the manufacturer (namely Airbus S.A.S). Any disclosure of the actual purchase price of such Aircraft could result in the loss of the significant price adjustments granted by the manufacturer to the Lessee for future purchases, and it is also likely that CDBALF would not be able to enter into similar future transactions with the Lessee. In addition, disclosing the actual purchase price of the Aircraft will enable the market to accurately estimate the actual purchase price of the Aircraft by the Lessee from the manufacturer (namely Airbus S.A.S). Any such disclosure would therefore not be in the interests of the Company and its shareholders as a whole. Neither CDBALF nor the Lessee has obtained consent from the manufacturer to disclose the actual purchase price of the Aircraft.

It is also 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 between the list price and actual purchase price has 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 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 consideration for each Aircraft under the Transactions has been paid or is payable in cash upon delivery of such Aircraft.

CDBALF expects to take delivery of the five aircraft under the Purchase and Leaseback Agreements by 31 December 2017.

(d) Source of funding

The Transactions are funded or expected to be funded through the net proceeds of the Company's initial public offering of its shares, the proceeds of loans or other borrowings by the Company and/or cash generated from the Company's business operations.

3. REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS

The Directors are of the view that the Transactions are in line with the growth strategy of the Company and can deploy the proceeds of the Company's initial public offering and other sources of funding in accretive investments. The Transactions will enable 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. The Transactions are conducted in the ordinary course of business of the Group.

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

4. INFORMATION ABOUT THE LESSEE

The Lessee 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, the Lessee and its ultimate beneficial owner are third parties independent of the Company and of the connected persons of the Company.

5. INFORMATION ABOUT THE COMPANY

The principal business of the Company includes providing comprehensive leasing services to high-quality customers in industries including aviation, infrastructure, shipping, commercial vehicle and construction machinery.

6. LISTING RULES IMPLICATIONS OF THE TRANSACTIONS

Pursuant to Chapter 14 of the Listing Rules, the highest applicable percentage ratio for the transactions under the Purchase and Leaseback Agreements exceeds 5% but less than 25%, such transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the shareholders' approval requirement.

7. DEFINITIONS

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

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| “Aircraft” | 14 A320neo aircraft |
| “Board” | the board of directors of the Company |
| “CDBALF” | CDB Aviation Lease Finance DAC, a company incorporated in Ireland and a wholly-owned subsidiary of the Company |
| “Company” | China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015, the H Shares of which are listed on the Stock Exchange with stock code of 1606 |
| “connected persons” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Lessee” | Go Airlines (India) Limited |
| “Letter of Intent” | the non-binding letter of intent, the terms of which have been agreed between CDBALF and the Lessee on 16 November 2017 with respect to the purchase and leaseback of nine new A320neo aircraft |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Original Purchase Contracts” | the aircraft purchase contracts in relation to the Aircraft originally entered into between the Lessee and the aircraft manufacturer (namely Airbus S.A.S) |

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| “PRC” | the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Purchase and Leaseback Agreements” | the purchase and leaseback agreements entered into between CDBALF and the Lessee on 16 November 2017 with respect to the purchase and leaseback of five new A320neo aircraft |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transactions” | the transactions under the Purchase and Leaseback Agreements and the Letter of Intent |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |

By order of the Board
CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.
Wang Xuedong
Chairman

Shenzhen, the PRC
16 November 2017

As at the date of this announcement, the executive Directors are Mr. WANG Xuedong and Mr. HUANG Min; the non-executive Directors are Mr. GENG Tiejun, Ms. LIU Hui and Mr. LI Yingbao; and the independent non-executive Directors are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.