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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 SIX AIRCRAFT

The Board is pleased to announce that CDBALF, a wholly-owned subsidiary of the Company, has entered into the New Purchase and Leaseback Agreement with the Lessee on 30 November 2017, pursuant to which CDBALF has agreed to purchase one new A320neo aircraft from the Lessee and lease the aircraft back to the Lessee upon delivery. In addition, CDBALF intends to enter into similar purchase and lease back agreements with the Lessee for two additional A320neo aircraft which are expected to be delivered before 30 May 2018.

Within the last 12 months, CDBALF entered into purchase and leaseback agreements with respect to three new A320neo aircraft with the Lessee on 2 March 2017, 12 June 2017 and 10 October 2017, respectively (the “**Completed Transactions**”) and together with the New Transaction and the Proposed Transaction, the “**Transactions**”). Pursuant to Chapter 14 of the Listing Rules, the highest applicable percentage ratio in respect of the Completed Transactions in aggregation was less than 5%.

Pursuant to Rule 14.22 of the Listing Rules, the transaction under the New Purchase and Leaseback Agreement is required to be aggregated with the Completed Transactions. As the highest applicable percentage ratio for such transactions exceeds 5% but less than 25%, the Completed Transactions and the New Transaction constitute discloseable transactions for 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 New Purchase and Leaseback Agreement with the Lessee on 30 November 2017, pursuant to which CDBALF has agreed to purchase one new A320neo aircraft from the Lessee and lease the aircraft back to the Lessee upon delivery. In addition, CDBALF intends to enter into similar purchase and lease back agreements with the Lessee for two additional A320neo aircraft which are expected to be delivered before 30 May 2018. Within the last 12 months, CDBALF entered into the Completed Transactions with the Lessee.

2. DETAILS OF THE TRANSACTIONS

(a) Aircraft under the Transactions

Six A320neo aircraft

(b) Consideration

The aggregate list price of the Aircraft is approximately US\$650.4 million (equivalent to approximately HK\$5,078.04 million), consisting of US\$325.2 million for the three aircraft under the Completed Transactions, US\$108.4 million for the one aircraft under the New Transaction and US\$216.8 million for the two aircraft under the Proposed Transactions. 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 the Aircraft under the Transactions has been paid or is payable in cash upon delivery of such Aircraft. The three aircraft under the Completed Transactions have been delivered on 2 March 2017, 12 June 2017 and 10 October 2017, respectively. The fourth aircraft under the New Transaction was delivered on 30 November 2017. In addition, CDBALF currently expects to take delivery of the other two new aircraft under the Proposed Transactions prior to 30 May 2018.

(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 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

Within the last 12 months, CDBALF entered into the Completed Transactions with the Lessee. Pursuant to Chapter 14 of the Listing Rules, the highest applicable percentage ratio in respect of the Completed Transactions in aggregation was less than 5%.

Pursuant to Rule 14.22 of the Listing Rules, the transaction under the New Purchase and Leaseback Agreement is required to be aggregated with the Completed Transactions. As the highest applicable percentage ratio for such transactions exceeds 5% but less than 25%, the Completed Transactions and the New Transaction constitute discloseable transactions for 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:

“Aircraft”	six 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
“Completed Transactions”	the purchase and leaseback transactions with respect to three new A320neo aircraft under the purchase and leaseback agreements entered into between CDBALF and the Lessee on 2 March 2017, 12 June 2017 and 10 October 2017, respectively
“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”	SAS Group
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Purchase and Leaseback Agreement”	the purchase and leaseback agreement entered into between CDBALF and the Lessee on 30 November 2017 with respect to the purchase and leaseback of one A320neo aircraft
“New Transaction”	the purchase and leaseback of one A320neo aircraft pursuant to the New Purchase and Leaseback Agreement
“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) prior to the Transactions
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Transactions”	the purchase and leaseback transactions under the proposed purchase and leaseback agreements which are expected to be entered into between CDBALF and the Lessee with respect to the purchase and leaseback of two A320neo aircraft, which are expected to be delivered by 30 May 2018
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions”	the Completed Transactions, the New Transaction and the Proposed Transactions
“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
30 November 2017

As at the date of this announcement, the executive directors of the Company 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.