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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 SALE OF FOUR AIRCRAFT

THE AIRCRAFT SALE AGREEMENTS

The Board is pleased to announce that on 14 December 2017 (after trading hours), the Sellers, which are special purpose companies controlled by CDBALF, entered into the Aircraft Sale Agreements with the Buyers, pursuant to which the Sellers agreed to sell four aircraft to the Buyers. Upon completion of each sale transaction, the respective Seller will novate the lease for the applicable Aircraft to the applicable Buyer.

IMPLICATIONS OF THE LISTING RULES

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions under the Aircraft Sale Agreements is over 5% but less than 25%, the transactions under the Aircraft Sale Agreements constitute discloseable transactions of the Company 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 on 14 December 2017 (after trading hours), the Sellers, which are special purpose companies controlled by CDBALF, entered into the Aircraft Sale Agreements with the Buyers, wholly-owned subsidiaries of an independent third party of the Company, which is principally engaged in aircraft leasing business, pursuant to which the Sellers agreed to sell four aircraft to the Buyers. Upon completion of each sale transaction, the respective Seller will novate the lease for the applicable Aircraft to the applicable Buyer.

2. DETAILS OF THE AIRCRAFT SALE AGREEMENTS

(a) The Aircraft

The aircraft under the Aircraft Sale Agreements consist of two A320-200 aircraft, one 737-700 aircraft and one 737-800 aircraft leased to three different lessees. On the applicable closing date for each Aircraft, the Aircraft will be sold to the applicable Buyer and the lease in respect of that Aircraft will also be transferred to such Buyer concurrently. The Aircraft sales are expected to close by the end of the first half of 2018.

(b) Consideration

The aggregate consideration for the sale of the Aircraft is US\$189,500,000 (equivalent to approximately HK\$1,478,968,124) before final closing adjustments. The consideration for the Transactions was established on an arm's length basis, taking into account the terms and conditions of the Transactions as a whole and with reference to market conditions.

The net book value, gain or loss, as well as the net profits (both before and after taxation) attributable to the Aircraft under the Aircraft Sale Agreements are proprietary and commercially sensitive information in the global aviation industry, subject to various confidentiality agreements and are not usually disclosed to public markets. Disclosure of such information would likely result in a disadvantage to CDBALF in its future negotiations with other buyers on the aircraft sale price, and it is likely that CDBALF may not be able to enter into similar transactions with the Buyers in the future, which would adversely affect the business operations of the Company and therefore is not in the interests of the Company and its shareholders as a whole. In addition, the net profits attributable to individual aircraft are difficult to calculate given company-wide costs are not specific to individual aircraft.

The Company proposes to instead disclose (i) the net book value and realized gain or loss expected to accrue to the Company under the Transactions on an aggregated basis together with any other aircraft sold by the Company (if any); and (ii) the aggregate number of aircraft it sold in the Company's annual financial statements.

The Company has therefore applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) Rule 14.58(6) of the Listing Rules requiring disclosure of the net book value of the Aircraft; (ii) Rule 14.58(7) of the Listing Rules requiring disclosure of the net profits (both before and after taxation) attributable to the Aircraft for the two financial years immediately preceding the Transactions; and (iii) Rule 14.60(3)(a) of the Listing Rules requiring disclosure of details of the gain or loss expected to accrue to the Company from the Transactions and the basis for calculating such gain or loss.

(c) Payment and delivery terms

The consideration for the sale of each Aircraft is payable (or has been paid, as the case may be) in cash upon completion of the sale of such Aircraft.

3. REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS

The Directors are of the view that the Transactions are in line with the strategy of the Group to sell our aircraft to mitigate risks in the Group's aircraft portfolio, to generate gains on sale and to reinvest the sale proceeds in new aircraft investments. 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 operations and financial position of the Group.

4. USE OF PROCEEDS

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

5. INFORMATION ABOUT THE BUYERS

The Buyers are principally engaged in aircraft leasing business.

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

6. 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.

7. LISTING RULES IMPLICATIONS OF THE TRANSACTIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions under the Aircraft Sale Agreements is over 5% but less than 25%, the transactions under the Aircraft Sale Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the shareholders' approval requirement.

8. DEFINITIONS

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

“Aircraft”	the two A320-200 aircraft, one 737-700 aircraft and one 737-800 aircraft sold by the Sellers to the Buyers under the Aircraft Sale Agreements
“Aircraft Sale Agreements”	the aircraft sale agreements entered into between the Sellers and the Buyers on 14 December 2017 with respect to the sale of the Aircraft
“Board”	the board of directors of the Company
“Buyer(s)”	the wholly-owned subsidiary(ies) of an independent third party of the Company, which is principally engaged in aircraft leasing business

“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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Seller(s)”	CLC Hangxin Aircraft Leasing (Tianjin) Co., Ltd. (國銀航鑫飛機租賃(天津)有限公司), CLC Hangrui Aircraft Leasing (Tianjin) Co., Ltd. (國銀航銳飛機租賃(天津)有限公司), and CLC Hangchuan Aircraft Leasing (Tianjin) Co., Ltd. (國銀航川飛機租賃(天津)有限公司), the special purpose companies controlled by CDBALF
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions”	the transactions under the Aircraft Sale Agreements
“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
14 December 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.