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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)

**VERY SUBSTANTIAL ACQUISITIONS
IN RELATION TO
THE PURCHASE OF 60 BOEING AIRCRAFT AND
45 AIRBUS AIRCRAFT**

THE AIRCRAFT PURCHASE AGREEMENTS

Reference is made to the voluntary announcements of the Company dated 19 June 2017 and 20 June 2017, respectively, in relation to the Company's proposed acquisitions of the Boeing Aircraft and Airbus Aircraft.

The Board is pleased to announce that on 22 September 2017, the Company, together with its wholly-owned subsidiary CDBALF as purchasers, entered into the Boeing Aircraft Purchase Agreements with Boeing to purchase the Boeing Aircraft, and the Airbus Aircraft Purchase Agreement with Airbus to purchase the Airbus Aircraft.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratios for each of the Boeing Acquisition and Airbus Acquisition exceed 100%, each of the Aircraft Acquisitions constitutes a very substantial acquisition of the Company and is therefore subject to the reporting, announcement and Shareholders' approval requirements as required under Chapter 14 of the Listing Rules.

* *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.*

An EGM will be convened and held to consider and, if thought fit, approve each of the Aircraft Acquisitions. So far as the Directors are aware after making reasonable enquiries, no Shareholder is required to abstain from voting at the EGM for approving the Aircraft Acquisitions.

GENERAL

A circular containing the information required under the Listing Rules in relation to the Aircraft Acquisitions is expected to be dispatched to Shareholders on or before 17 October 2017.

BACKGROUND

Reference is made to the voluntary announcements of the Company dated 19 June 2017 and 20 June 2017, respectively, in relation to the Company's proposed acquisitions of the Boeing Aircraft and Airbus Aircraft.

The Board is pleased to announce that on 22 September 2017, the Company, together with its wholly-owned subsidiary CDBALF as purchasers, entered into the Boeing Aircraft Purchase Agreements with Boeing to purchase the Boeing Aircraft, and the Airbus Aircraft Purchase Agreement with Airbus to purchase the Airbus Aircraft.

THE AIRCRAFT PURCHASE AGREEMENTS

(A) Boeing Aircraft Purchase Agreements

Date

22 September 2017

Parties

- (1) the Company and CDBALF, as purchasers; and
- (2) Boeing, as vendor.

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

Aircraft to be acquired

- (i) 42 Boeing 737 MAX 8 aircraft
- (ii) 10 Boeing 737 MAX 10 aircraft
- (iii) 8 Boeing 787-9 aircraft

Out of the total 60 Boeing aircraft, six 737 MAX 10 aircraft orders are converted from the Company's previous order for six 737 MAX 8 aircraft.

Consideration

The aggregate list price of the Boeing Aircraft (which comprises the airframe price, optional features price and engine price) is approximately US\$7.4 billion (equivalent to approximately HK\$57.77 billion).

In accordance with customary business and industry practice, Boeing granted the Company and CDBALF significant price concessions with regard to the Boeing Aircraft to be purchased. Such price concessions were determined after arm's length negotiations among the Company, CDBALF and Boeing. As a result, the actual purchase price of the Boeing Aircraft is lower than the list price mentioned above for such aircraft. The Directors confirm that the price concessions granted by Boeing to the Company and CDBALF under the Boeing Aircraft Purchase Agreements are not less favorable to the Company and CDBALF than those price concessions obtained in the previous purchases of new aircraft from Boeing. The Company believes that there is no material adverse impact of the price concessions obtained under the Boeing Aircraft Purchase Agreements on the Company's future operating costs.

Both the Company and CDBALF are subject to confidentiality obligations under which the terms of the Boeing Aircraft Purchase Agreements generally cannot be disclosed to any third party without the written consent of Boeing. For the purpose of the disclosure obligations of the Company normally required under Chapter 14 of the Listing Rules, the Company has obtained such consent save for the consideration of the aircraft.

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 adjustments to aircraft list prices granted by the respective manufacturers to aircraft purchasers are highly commercially sensitive and are determined based on numerous variables, including market conditions, and after arm's length negotiations between the aircraft purchasers and the manufacturers. Therefore, any disclosure of the actual purchase price of the Boeing Aircraft will result in a breach of the Company's confidentiality obligation and will expose

the Company to material litigation risk and irreparable reputational damage, meanwhile it could result in the loss of the significant price concessions to be granted by Boeing to the Group for the Boeing Acquisition and future purchases. It is also likely that the Company would not be able to enter into similar future transactions with Boeing should the Company breach its confidentiality obligation by disclosing the actual purchase price of the Boeing Aircraft.

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) and Rule 14.69(2) of the Listing Rules in respect of the disclosure of the actual purchase price of the Boeing Aircraft.

Payment and delivery terms

The Boeing Aircraft are scheduled to be delivered from 2019 to 2024.

The consideration for each of the Boeing Aircraft will be paid according to the Boeing Aircraft Purchase Agreements, with advance payments to be paid before delivery of each of the Boeing Aircraft, in line with the relevant advance payments schedule, and the balance, being a substantial portion of the consideration, to be paid upon delivery of each of the Boeing Aircraft.

Source of funding

The consideration for the Boeing Aircraft will be funded through a mix of sources which may include interbank borrowing, the issue of bonds, commercial bank loans, pre-delivery payment financing, other debt and equity financing and the Group's working capital.

Conditions precedent

Completion of the Boeing Aircraft Purchase Agreements is conditional upon, among other things, the approval of the Boeing Aircraft Purchase Agreements and the Boeing Acquisition contemplated hereunder by the Shareholders.

Long stop date

The long stop date for the Boeing Aircraft Purchase Agreements is 1 December 2017.

Reasons for and benefits of entering into the Boeing Aircraft Purchase Agreements

The Directors are of the view that the execution of the Boeing Aircraft Purchase Agreements is beneficial for the Company, allowing it to increase its fleet of modern, fuel efficient and in-demand aircraft. The Boeing Acquisition is consistent with the Company's business development strategy.

The Directors consider that the terms of the Boeing Aircraft Purchase Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

(B) Airbus Aircraft Purchase Agreement

Date

22 September 2017

Parties

- (1) the Company and CDBALF, as purchasers; and
- (2) Airbus, as vendor.

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

Aircraft to be acquired

- (i) 30 Airbus A320neo aircraft
- (ii) 15 Airbus A321neo aircraft

Consideration

The aggregate list price for the Airbus Aircraft (which comprises the airframe price, optional features price and engine price) is approximately US\$5.2 billion (equivalent to approximately HK\$40.59 billion).

In accordance with customary business and industry practice, Airbus granted the Company and CDBALF significant price concessions with regard to the Airbus Aircraft to be purchased. Such price concessions were determined after arms length negotiations among the Company, CDBALF and Airbus. As a result, the actual purchase price of the Airbus Aircraft is lower than the list price mentioned above for such aircraft. The Directors confirm that the price concessions granted by Airbus to the Company and CDBALF under the Airbus Aircraft Purchase Agreement are not less favorable to the Company and CDBALF than those price concessions obtained in the previous purchases of new aircraft from Airbus. The Company believes that there is no material adverse impact of the price concessions obtained under the Airbus Aircraft Purchase Agreement on the Company's future operating costs.

Both the Company and CDBALF are subject to confidentiality obligations under which the terms of the Airbus Aircraft Purchase Agreement generally cannot be disclosed to any third party without the written consent of Airbus. For the purpose of the disclosure obligations of the Company normally required under Chapter 14 of the Listing Rules, the Company has obtained such consent save for the consideration of the aircraft.

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 adjustments to aircraft list prices granted by the respective manufacturers to aircraft purchasers are highly commercially sensitive and are determined based on numerous variables, including market conditions, and after arm's length negotiations between the aircraft purchasers and the manufacturers. Therefore, any disclosure of the actual purchase price of the Airbus Aircraft will result in a breach of the Company's confidentiality obligation and will expose the Company to material litigation risk and irreparable reputational damage, meanwhile it could result in the loss of the significant price concessions to be granted by Airbus to the Group for the Airbus Acquisition and future purchases. It is also likely that the Company would not be able to enter into similar future transactions with Airbus should the Company breach its confidentiality obligation by disclosing the actual purchase price of the Airbus Aircraft.

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) and Rule 14.69(2) of the Listing Rules in respect of the disclosure of the actual purchase price of the Airbus Aircraft.

Payment and delivery terms

The Airbus Aircraft are scheduled to be delivered from 2022 to 2024.

The consideration for each of the Airbus Aircraft will be paid according to the Airbus Aircraft Purchase Agreement, with advance payments to be paid before delivery of each of the Airbus Aircraft, in line with the relevant advance payments schedule, and the balance, being a substantial portion of the consideration, to be paid upon delivery of each of the Airbus Aircraft.

Source of funding

The consideration for the Airbus Aircraft will be funded through a mix of sources which may include interbank borrowing, the issue of bonds, commercial bank loans, pre-delivery payment financing, other debt and equity financing and the Group's working capital.

Conditions precedent

Completion of the Airbus Aircraft Purchase Agreement is conditional upon, among other things, the approval of the Airbus Aircraft Purchase Agreement and the Airbus Acquisition contemplated hereunder by the Shareholders.

Long stop date

The long stop date for the Airbus Aircraft Purchase Agreement is 16 November 2017.

Reasons for and benefits of entering into the Airbus Aircraft Purchase Agreement

The Directors are of the view that the execution of the Airbus Aircraft Purchase Agreement is beneficial for the Company, allowing it to increase its fleet of modern, fuel efficient and in-demand aircraft. The Airbus Acquisition is consistent with the Company's business development strategy.

The Directors consider that the terms of the Airbus Aircraft Purchase Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

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.

To the knowledge of the Directors, both Boeing and Airbus are principally engaged in the business of aircraft manufacturing and selling aircraft.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratios for each of the Boeing Acquisition and Airbus Acquisition exceed 100%, each of the Aircraft Acquisitions constitutes a very substantial acquisition of the Company and is therefore subject to the reporting, announcement and Shareholders' approval requirements as required under Chapter 14 of the Listing Rules.

An EGM will be convened and held to consider and, if thought fit, approve each of the Aircraft Acquisitions. So far as the Directors are aware after making reasonable enquiries, no Shareholder is required to abstain from voting at the EGM for approving the Aircraft Acquisitions.

GENERAL

A circular containing the information required under the Listing Rules in relation to the Aircraft Acquisitions is expected to be dispatched to Shareholders on or before 17 October 2017.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Airbus”	Airbus S.A.S., a “Société par Actions Simplifiée”, incorporated under the laws of France
“Airbus Acquisition”	the acquisition by the Company and CDBALF of 45 aircraft from Airbus
“Airbus Aircraft”	45 Airbus aircraft from Airbus, consisting of (i) 30 Airbus A320neo series aircraft and (ii) 15 Airbus A321neo series aircraft
“Airbus Aircraft Purchase Agreement”	the aircraft purchase agreement entered into among the Company, CDBALF and Airbus on 22 September 2017 with respect to the acquisition by the Company and CDBALF of the Airbus Aircraft
“Aircraft Acquisitions”	the Boeing Acquisition and Airbus Acquisition

“Board”	the board of directors of the Company
“Boeing”	the Boeing Company, a company incorporated in the State of Delaware of the United States of America
“Boeing Acquisition”	the acquisition by the Company and CDBALF of 60 aircraft from Boeing
“Boeing Aircraft”	60 Boeing aircraft from Boeing, consisting of (i) 42 Boeing 737 MAX 8 aircraft, (ii) 10 Boeing 737 MAX 10 aircraft, and (iii) 8 Boeing 787-9 aircraft
“Boeing Aircraft Purchase Agreements”	the aircraft purchase agreements entered into among the Company, CDBALF and Boeing on 22 September 2017 with respect to the acquisition by the Company and CDBALF of the Boeing Aircraft
“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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company proposed to be convened and held to consider and approve each of the Aircraft Acquisitions
“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, for the purpose of this announcement and for geographical reference only and except where the context requires, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this announcement, certain amounts denominated in US\$ are translated into HK\$ at the exchange rate shown below, but such conversions shall not be construed as representations that amounts in US\$ were or may have been converted into HK\$ at such rate or any other exchange rates or at all: US\$1 = HK\$7.8061.

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

Shenzhen, the PRC
22 September 2017

As at the date of this announcement, the executive Directors are Mr. WANG Xuedong, Mr. FAN Xun 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.