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国银金租

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 TRANSACTION IN RELATION TO THE ACQUISITION OF FOUR AIRCRAFT

The board of directors (the “**Board**”) of China Development Bank Financial Leasing Co., Ltd. (the “**Company**”) is pleased to announce that certain wholly-owned subsidiaries of CDB Aviation Lease Finance DAC (“**CDBALF**”), a wholly-owned subsidiary of the Company, have entered into sale and purchase agreements with certain indirectly wholly-owned subsidiaries of Avolon Holdings Limited (the “**Sellers**”) on 15 November 2023, pursuant to which such wholly-owned subsidiaries of CDBALF have agreed to (i) acquire two (2) A321-200N aircraft through the acquisition of the beneficial interest in each trust established over the aircraft from the Sellers or their nominees (“**Acquisition 1**”) and (ii) acquire one (1) A330-900N aircraft and one (1) A320-200 aircraft from the Sellers or their nominees (“**Acquisition 2**”) (collectively, the “**Transaction**”).

Pursuant to Chapter 14 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), as the highest applicable percentage ratio (as defined in the Listing Rules) for the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In relation to Acquisition 1, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.34 of the Listing Rules, on the condition that the Company will comply with the requirements under Rule 14.33C 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.*

The waiver was applied and granted on the following basis: (i) the Company has fulfilled the qualification criteria for a Qualified Aircraft Lessor as set out in Rule 14.04(10E) of the Listing Rules; (ii) the Company believes that the acquisition of the beneficial interest in a trust established over each aircraft (as contemplated by Acquisition 1) is, in all relevant respects, economically equivalent to the direct acquisition of each aircraft itself. Each trust was established specifically in respect of the relevant aircraft itself and the only assets and liabilities of each trust are the relevant aircraft and other assets and liabilities in connection with the ownership and leasing of the aircraft. There is no difference in the accounting treatment and the basis of determination of the consideration for the direct acquisition of an aircraft versus an acquisition of the beneficial interest; (iii) it would be unduly onerous and burdensome for the Company to fully disclose Acquisition 1 pursuant to Rule 14.34 of the Listing Rules because it would have to disclose proprietary, confidential and commercially sensitive information that would adversely affect the business operation of the Company and therefore not be in the best interests of the Company or its shareholders as a whole; (iv) the waiver will not compromise investor protection because (a) the Company's business is strictly regulated by the National Administration of Financial Regulation and the Company should comply with all applicable regulatory requirements, (b) the Company has the relevant expertise in the aircraft leasing industry to conduct Acquisition 1, and (c) investors and analysts are believed to be more focused on a lessor's portfolio of aircraft or the substance of an acquisition or disposal itself, rather than on the transaction structure used to acquire or dispose of any aircraft in that portfolio; and (v) the Company confirms that it will fulfil the requirements under Rule 14.33C of the Listing Rules in relation to Acquisition 1, namely, (a) Acquisition 1 is undertaken by the Company, as a Qualified Aircraft Lessor, in its ordinary and usual course of business, (b) the Board has confirmed that Acquisition 1 is entered into by the Company, through the Buyers, in its ordinary and usual course of business and on normal commercial terms, (c) the Board has confirmed that the terms of Acquisition 1 are fair and reasonable and in the interests of the Company and its shareholder as a whole, and (d) the Company will comply with the disclosure requirements under Rule 14.33D of the Listing Rules.

As Acquisition 2 constitutes a Qualified Aircraft Leasing Activity (as defined in the Listing Rules), Acquisition 2 is exempt from the announcement, circular and/or shareholders' approval requirements set out in Chapter 14 of the Listing Rules, provided that the conditions set out in Rule 14.33C of the Listing Rules are fulfilled.

Principal terms of the Transaction are summarized as follows:

Date

15 November 2023

Aircraft to be acquired under the Transaction

Acquisition 1: Two (2) A321-200N aircraft with a lease attached to each of them;

Acquisition 2: One (1) A330-900N aircraft and one (1) A320-200 aircraft with a lease attached to each of them.

Parties

“Buyers” Certain wholly-owned subsidiaries of CDBALF, which are principally engaged in the business of aircraft leasing. CDBALF is a wholly-owned subsidiary of the Company. The principal business of the Company includes aircraft leasing, ship leasing, regional development leasing, inclusive finance, green energy and high-end equipment leasing, transfers of finance lease assets and lease-related financial business.

“Sellers” Certain indirectly wholly-owned subsidiaries of Avolon Holdings Limited (“Avolon”), which are principally engaged in the business of aircraft leasing. As at the date hereof, the Sellers and Avolon are indirectly owned, 70% by Bohai Leasing Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000415), and 30% by ORIX Corporation, whose shares are listed on the Tokyo Stock Exchange (securities code: 8591) and the New York Stock Exchange (ticker symbol: IX).

To the best of the Board’s knowledge, information and belief, having made all reasonable enquiries, the Sellers and their ultimate beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

Delivery Term

CDBALF expects to take delivery of the four aircraft under the Transaction by the end of January 2024.

The Board hereby confirms that, (i) the Company has fulfilled the qualification criteria for a Qualified Aircraft Lessor as set out in Rule 14.04(10E) of the Listing Rules; (ii) the Transaction is entered into by the Company, through the Buyers, in its ordinary and usual course of business and on normal commercial terms; and (iii) the terms of the Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole.

By order of the Board
CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.
LIU Yi
Joint Company Secretary

Shenzhen, the PRC
15 November 2023

As at the date of this announcement, the executive directors of the Company are Ms. MA Hong and Mr. HUANG Min; the non-executive directors are Mr. LI Yingbao and Mr. YANG Guifang; and the independent non-executive directors are Mr. XU Jin, Mr. LI Haijian and Mr. LIU Ming.