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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 TRANSACTION FINANCE LEASE ASSETS TRANSFER AGREEMENTS

The Board hereby announces that on 20 April 2020 (after trading hours), the Company (as the Assets Transferee) entered into a series of Assets Transfer Agreements with the Assets Transferor, pursuant to which the Assets Transferor agreed to transfer the ownership of the Leased Assets, creditor's rights of the rent receivables and all the security interests under the Finance Lease Agreement to the Company. The Company agreed to acquire these Leased Assets and relevant rights, and to pay the transfer consideration of RMB1,600,000,000 to the Assets Transferor.

According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Assets Transfer Agreements is higher than 5% but lower than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

ASSETS TRANSFER AGREEMENTS

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* *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.*

Details of the Assets Transfer Agreements are summarized as follows:

Date

20 April 2020

Parties

“Assets Transferee”: the Company

“Assets Transferor”: a company with limited liability located in Guangdong Province, the PRC, which mainly engages in finance lease, transfer and acquisition of finance lease assets, and fixed income securities investment

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Assets Transferor and its ultimate beneficiary owner are all independent third parties of the Company and its connected persons (as defined in the Listing Rules).

Subject of Transfer

The Subject of Transfer includes the ownership of the Leased Assets, creditor’s rights of the rent receivables and all the security interests. The Leased Assets are fixed road assets in certain two bid sections of an expressway project in Yunnan Province, the PRC. The total assessed value of the Leased Assets is approximately RMB1,979,000,947. The Assets Transferor does not separately calculate the pre-tax and post-tax profits of the Subject of Transfer.

Lease Period

120 months

Rent Receivables and Method of Payment

Rent receivables are the rent with VAT under the Finance Lease Agreement, and consist of lease principal and lease interest. The lease principal equals to the transfer consideration of RMB1,600,000,000 in total. The lease interest is calculated based on the actual number of days, and the calculation method is: lease interest = outstanding balance of lease principal × actual days of lease period × annual rate under lease ÷ 360. During the lease period, the total lease interest is approximately RMB518,145,250. The rent is paid in RMB and is divided into 40 consecutive installments. The first rent payment due date is 15 July 2020, and thereafter in every subsequent year, 15 January, 15 April, 15 July, and 15 October are the respective rent payment due dates, and the final rent payment should be paid on 15 April 2030.

The terms of the Assets Transfer Agreements (including the transfer consideration) are determined by the Assets Transferee and the Assets Transferor with reference to the assessed value of the Subject of Transfer, current business practices, and the financial positions of the counterparties, upon fair negotiation.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSETS TRANSFER AGREEMENTS

The Assets Transfer Agreements are entered into by the Company during its ordinary and usual course of business. The Assets Transfer Agreements between the Company and the Assets Transferor will benefit the Company to increase its finance lease business income and is in line with the Company's business development strategy.

The Directors are of the view that the terms under the Assets Transfer Agreements are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company

The Company is a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015. The principal business of the Company includes providing comprehensive leasing services to high-quality customers in industries including aviation, infrastructure, shipping, vehicle and construction machinery.

Information of the Assets Transferor

The Assets Transferor is a limited liability company incorporated in the PRC on 16 May 2017 and is located in Guangdong Province, the PRC. It mainly engages in finance lease, transfer and acquisition of finance lease assets, and fixed income securities investment.

IMPLICATION OF LISTING RULES

According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Assets Transfer Agreements is higher than 5% but lower than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Assets Transfer Agreements”	a series of assets transfer agreements entered into between the Company and the Assets Transferor on 20 April 2020 in respect to the Subject of Transfer
“Assets Transferor”	Qianhai Xingbang Financial Leasing Company Limited (前海興邦金融租賃有限責任公司), whose ultimate beneficiary owner is Shen Zhen Rural Commercial Bank Corporation Limited
“Board”	the board of directors 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
“Finance Lease Agreement”	the finance lease agreement entered into between the Assets Transferor and Lessee in respect to the Leased Assets
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	the fixed road assets in certain two bid sections of an expressway project in Yunnan Province, the PRC
“Lessee”	Kunming Huangma Expressway Co., Limited (昆明黃馬高速公路有限公司), whose ultimate beneficiary owner is the National Assets Supervision and Management Committee of the Kunming Municipal People's Government
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject of Transfer”	the ownership, creditor’s rights of the rent receivables and all the security interests of the Leased Assets
“%”	per cent

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

Shenzhen, the PRC
20 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. WANG Xuedong, Mr. PENG Zhong and Mr. HUANG Min; the non-executive directors of the Company are Mr. LI Yingbao, Mr. WANG Bangyi and Ms. WANG Ying; and the independent non-executive directors of the Company are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.