



国银租赁

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

2016

Environmental, Social and Governance Report





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1 About this Report

1.1 REPORT OVERVIEW

This report is the first environmental, social and governance report (ESG Report) issued by China Development Bank Financial Leasing Co., Ltd., which focuses on the disclosure of information on the economic, social and environmental performance of the Company for the period from 1 January 2016 to 31 December 2016.

1.2 BASIS OF PREPARATION

This report mainly makes reference to the revised Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange in December 2015.

The contents of this report are determined based on a set of systematic procedures. Such procedures include: identifying and prioritizing key stakeholders, identifying and prioritizing key subjects relating to ESG, determining report scope and boundary, collecting relevant materials and receipts, compiling data based on information, and reviewing information in the report.

1.3 REPORTING SCOPE AND BOUNDARY

The disclosure scope and boundary in this report are consistent with the 2016 annual report of China Development Bank Financial Leasing Co., Ltd.

1.4 EXPLANATION FOR ABBREVIATIONS

In order to facilitate the presentation and reading, for the purpose of this report, each of the “CDB Leasing”, “Group”, “Company” and “we” refers to “China Development Bank Financial Leasing Co., Ltd. and its subsidiaries or SPVs”.

1.5 DATA SOURCE AND RELIABILITY ASSURANCE

The data and information in this report are mainly from the relevant documents, reports and statistic results of the Company. CDB Leasing, in the name of the board of directors (the “Board”), undertakes that this report contains no false statements or misleading statements and is responsible for the truthfulness, accuracy and completeness of its contents.

1.6 CONFIRMATION AND APPROVAL

This report was approved by the Board on 16 June 2017 upon confirmation by the management.

1.7 AVAILABILITY OF AND RESPONSE TO THIS REPORT

This report is available in both Chinese and English versions for readers' reference. The electronic version of the report is available on the Hong Kong Stock Exchange and the official website of the Company.

Should you have any query or feedback on the Report, please contact us via the following methods:

Address: 50-52/F, New World Center, No. 6009 Yitian Road, Futian District, Shenzhen, the PRC

Tel.: 86-755-2398 0999

Fax: 86-755-2398 0900

Official website: <http://www.cdb-leasing.com/>

2 Chairman's Statement



As one of the financial leasing companies with the longest history and most influence in the PRC, China Development Bank Financial Leasing Co., Ltd. is the sole leasing business platform of China Development Bank (the “CDB”) and also the first domestic financial leasing enterprise listed on the Main Board of the Hong Kong Stock Exchange.

Adhering to CDB’s mission to “enhance national strength and improve people’s livelihood”, CDB Leasing takes “finance businesses worldwide, benefit the society” as its own important historical task. To this end, we include the fulfillment of corporate social responsibility in our own development strategy, share value with various stakeholders, and proactively promote the healthy, sustained and harmonious development of economy, society and environment.

2 Chairman's Statement (Continued)

Honest and Steady Operation, Enhance Management Level. As a listed company and also a non-banking financial institution regulated by China Banking Regulatory Commission, CDB Leasing regards honest and compliant operation as the foundation of survival and the basis of self-reliance and pursues sustainable operation and development with a long-term vision. For this purpose, we strengthen comprehensive risk control and improve the construction of comprehensive risk management system to cope with the risks in daily operations. At the same time, we have formulated all-round internal policies and supervisory mechanisms to strictly prevent and deal with corruption, money laundering and other violations against laws, regulations and disciplines. In 2016, we also vigorously promoted the construction of the Company's market-oriented operation system and mechanism, strengthened business development, assessment, lending, post-lease management, enhanced the construction level of system processes, information systems, management accounting systems and other operation management systems, and improved project management and customer service quality, thus winning a good reputation with integrity and profession.

Respond to Macro-strategy, Serve Entity Economy. We proactively respond to the national macro-strategic orientation, exert the advantages of leasing in terms of "financing in cash" and "financing in kind" to satisfy the needs of real economy. On this basis, the Group has formed a set of leasing business system consisting of four business segments, i.e. aircraft leasing, infrastructure leasing, ship, commercial vehicle and construction machinery leasing, and other leasing business, and a mature business model. Riding on the advantages of China Development Bank, the parent company, gained in years of development in the field of infrastructure, we proactively engage in cooperation and increase efforts for development of infrastructure leasing to boost the national urbanization. Meanwhile, in order to respond to the "One Belt, One Road" initiative, CDB Leasing proactively implement the "Going Out" strategy. As at the end of 2016, we had provided aircraft leasing services for 28 lessees in overseas 21 countries and regions, and carried out ship leasing business with 30 ship lessees in overseas 3 countries. In addition, in light of the national manufacturing transformation and upgrading, CDB Leasing proactively supported manufacturing industries, strategic emerging industries, environmental protection and energy conservation industries and the manufacturing industries supported by national policies to propel the development of real economy.

Committed to Green Development, Build Beautiful China. In order to protect the ecological environment in which we live, CDB Leasing focuses on integrating the "green development" concept into our businesses. On one hand, we make our contributions to the development of clean energy industry through the development of wind energy, solar energy, nuclear energy and other new energy and application of relevant financial leasing businesses. On the other hand, we also proactively promote the leasing of energy-efficient aircraft and ship to promote energy conservation and emission reduction of the entire industrial chain.

2 Chairman's Statement (Continued)

Develop Inclusive Finance, Enhance People's Livelihood and Well-being. While pursuing growth of results, CDB Leasing is also proactively committed to promoting the development of inclusive finance. On the premise of ensuring project revenue and prevention of project risks, we actively implement the developmental financial poverty alleviation business of China Development Bank to enhance people's livelihood and well-being while carrying out inclusive finance. In 2016, we carried out 4 representative developmental poverty alleviation projects with a total amount of RMB3.38 billion. At the same time, in order to help moderate and low-income families solve the housing difficulties, we have cooperated with the local governments in financial leasing services for shantytowns renovation and affordable housing construction. As at the end of 2016, we have provided financing for the construction of more than 37,000 affordable houses. We have also formed a commercial vehicle and construction machinery leasing system with the characteristics of CDB Leasing to alleviate medium, small and micro lessees' difficulties with financing. Moreover, we also actively engage in charity.

2016 is the first year of CDB Leasing's listing in Hong Kong. We have achieved significant achievements in terms of financial performance, business operations, risk control and mechanism and system reform. On this basis, the H shares of CDB Leasing were officially included in China and the Hong Kong Hang Seng Composite SmallCap Index on 10 February 2017, further enhancing the influence of CDB Leasing in the capital market and injecting more impetus for the Company's development.

Looking ahead, there is still a long way to go. CDB Leasing will continue to deepen reform and keep making progress. Under the keynote of "pushing forward through stability, quality and efficiency improvement and enhancement, innovation and development, and risk prevention and control", it will insist on enhancement of its responsibilities in terms of industry, people's livelihood, investors and employees and make more contributions to the harmonious and sustainable development of itself and economy, society and environment.

Chairman
Mr. Wang Xuedong

3.1 COMPANY PROFILE



China Development Bank Financial Leasing Co., Ltd. is a national non-banking financial institution with its establishment approved by China Banking Regulatory Commission and is controlled by China Development Bank. Incorporated in 1984 in Shenzhen, the Company was among the first financial leasing companies in the PRC and also the first financial leasing company in mainland China listed on the Main Board of the Hong Kong Stock Exchange. During our development over the past 30 years, we remained dedicated to providing comprehensive leasing services to high-quality customers in industries, including aviation, infrastructure, shipping, commercial vehicle and construction machinery.

As one of the leasing companies with the longest history in the PRC, we have witnessed and participated in the development of the PRC leasing industry. We have experienced various economic and industry cycles and regulatory reforms, and gained abundant experience through our exploration in business sectors, product innovation, risk management and control, operating management and other aspects. We have gradually built up our explicit positioning with focusing on key industries and key clients through exploration in various business sectors on planning, continuous product innovation and business improvement as well as optimization of corporate governance. We aim to build a business layout with Aircraft Leasing and Infrastructure Leasing which have well-developed business model, sound asset quality and growth potential as core sectors and to develop a customer positioning with large and medium-sized, high-quality customers as key customer groups.

With the continued market-oriented reform of the PRC financial industry, increasing market demand for customized leasing products and services, and favorable government policies bringing important opportunities to the leasing industry, we believe that, leveraging on our long operating history, market leading position, well-developed business model and premier brand name, we will be well positioned to seize such opportunities, achieve sustained growth, and continue to maintain our leading position in the fast developing PRC leasing industry.

3 About Us (Continued)

3.1.1 Our vision

CDB Leasing strives to become an international leading leasing company rooted in the PRC market and to build a world brand for China leasing industry.

3.1.2 Our business philosophy



Over the years, CDB Leasing has always adhered to the business philosophy of ***“pushing forward through stability, quality and efficiency improvement and enhancement, innovation and development, and risk prevention and control”***. We have achieved the optimal allocation of resources through market-orientated operating method, promoted interconnection between industry and finance through diversified business modes, supported technological progress and real economy development through professional financial services and served the enterprises to expand world-wide through international operating platform. We take practical action to create value for customers and shareholders, obtain practical experience for the lease industry, and play an active role in social progress and economic transformation and upgrading.

Primary business models and their roles

Direct lease

- to obtain high-tech and high-value assets for customers with an optimized financial services solution

Sale-and-leaseback

- to activate the fixed assets held by customers and provide funding for their for their development

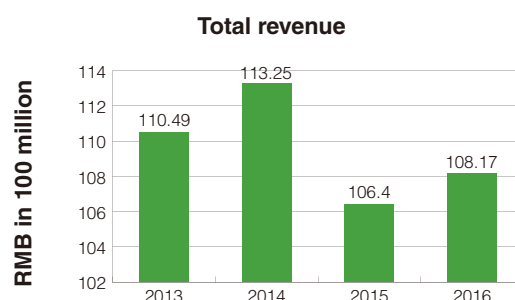
Leased asset transactions

- to enable all kinds of assets to keep generating value to make the best use of such assets

3.2 REVIEW FOR 2016

Steady growth in performance

In 2016, the total revenue reached RMB10.817 billion, representing a year-on-year increase of 1.7%; and net profit for the year amounted to RMB1.561 billion, representing a year-on-year increase of 48.3%. As at the end of 2016, the total assets reached RMB166.512 billion, representing a year-on-year increase of 6.9%.



Optimized business layout

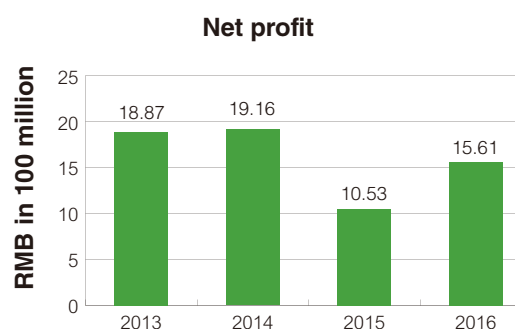
The “twin-driver” business development model with Aircraft Leasing and Infrastructure Leasing has become clearer. The aggregate percentage of revenue and assets of the two segments continued to rise year on year.

Accelerated business innovation

Aircraft asset trading capabilities significantly improved. The Group innovated leasing business models and diversified leasing products, which sharply enhanced the revenue of the intermediary business.

Strengthened risk management and control

The Group achieved “double decreases” in both the amount and ratio of non-performing assets by strengthening the building of the comprehensive risk management system, enhancing risk control, and disposal of non-performing assets through multiple channels, with the ratio of non-performing assets falling to below 1%.



3 About Us (Continued)

Upgraded credit rating

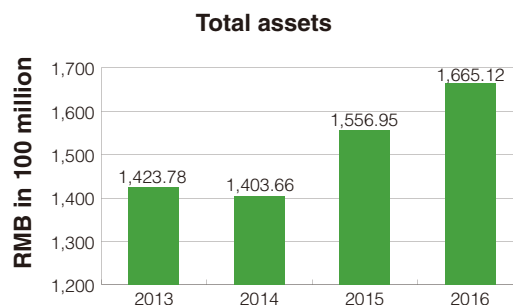
In 2016, Moody's raised the credit rating for CDB Leasing from A1 to Aa3, while S&P and Fitch maintained the A+ rating.

Decreased financing costs

In 2016, the financing costs of the Company fell 89 basis points year on year. The Company has established diversified financing channels including bank borrowings, bonds issuance, due to banks and other financial institutions, financial assets sold under repurchase agreements and equity financing, further enhancing our fund raising capacity.

Achieved leapfrog development

With successful listing of our shares in Hong Kong, we obtained access to financing channels in the international capital market. We implemented a human resources management reform program, covering employee career development, team professionalization and remuneration incentive, thereby further improving the market-oriented operation mechanism. The Irish subsidiary of aircraft leasing was approved for establishment. The collectivized business structure has been preliminarily developed.



4 Strengthening Social Responsibility Governance and Building Culture of Responsibility

As a highly responsible company, we are convinced that efforts to fulfill corporate social responsibility are not only conducive to the sustainable development of economy, society and environment, but also be beneficial to the Company's long-term sustainable development. With the continuous growth of the Company, we have gradually established and improved our responsibility governance system to effectively ensure the implementation of our responsibility-performing plan.

4.1 CONCEPT OF RESPONSIBILITY

As the sole leasing business platform and listing platform of China Development Bank, we actively respond to the national macro strategic orientation through serving the real economy development with the inherent advantages of “financing in cash” and “financing in kind” of leasing business. Meanwhile, as a listed company in the Hong Kong Stock Exchange, we also pay much attention to fulfilling environmental, social and governance responsibilities. On the basis of ensuring business operation in compliance with laws and regulations, we pursue the sharing of value and harmonious development with stakeholders including the government, shareholders, customers, suppliers, employees, communities and the environment, and we take it as our basic responsibility to adhere to.



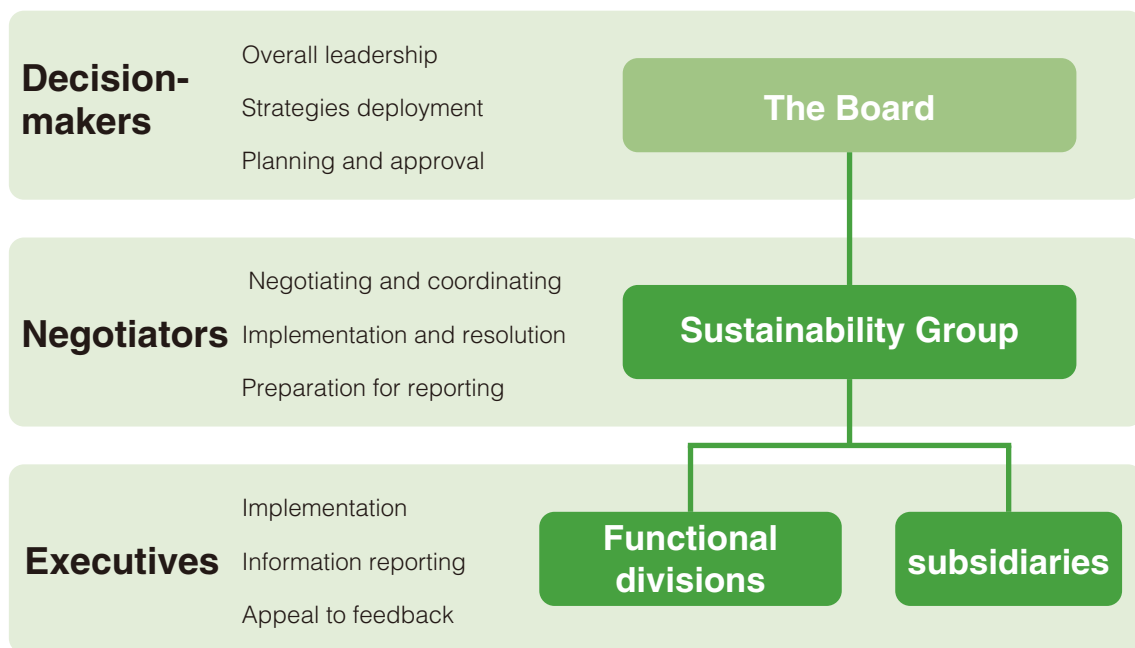
Figure 4.1-1 CDB Leasing social responsibility pyramid

4 Strengthening Social Responsibility

Governance and Building Culture of Responsibility (Continued)

4.2 RESPONSIBILITY MANAGEMENT

According to the HKEx ESG Guide, the Board of the Group takes full responsibility for the environmental, social and governance strategies and information disclosure. The Board should assess the Company's risks associated with environmental, social and governance matters, ensure effective risk management and internal control in this regard remain in place and supervise execution from its relevant departments and subsidiaries.



Picture 4.2-1 The ESG Structure of CDB Leasing

4 Strengthening Social Responsibility Governance and Building Culture of Responsibility (Continued)

4.3 COMMUNICATIONS AMONG STAKEHOLDERS

Stakeholders	Demands and expectations	Communications and responses
The government	<ul style="list-style-type: none">• legal operation under laws and regulations• job creation and legal tax payment• support for the development of regional economy and the industry	<ul style="list-style-type: none">• maintain corporate governance and ensure legal operation• create jobs and pay tax in time• respond to national major policies and conduct corresponding businesses
Shareholders and investors	<ul style="list-style-type: none">• governance and value creation• information disclosure and risk control	<ul style="list-style-type: none">• improve corporate governance and continue to improve value• disclose information in time• establish communication mechanism among shareholders and investors
Customers	<ul style="list-style-type: none">• quality of services or products• customers' rights and interests protection	<ul style="list-style-type: none">• guarantee the quality of products or services• improve post-lease management mechanism• improve customer service process• improve complaint handling mechanism• improve customer negotiation mechanism

4 Strengthening Social Responsibility

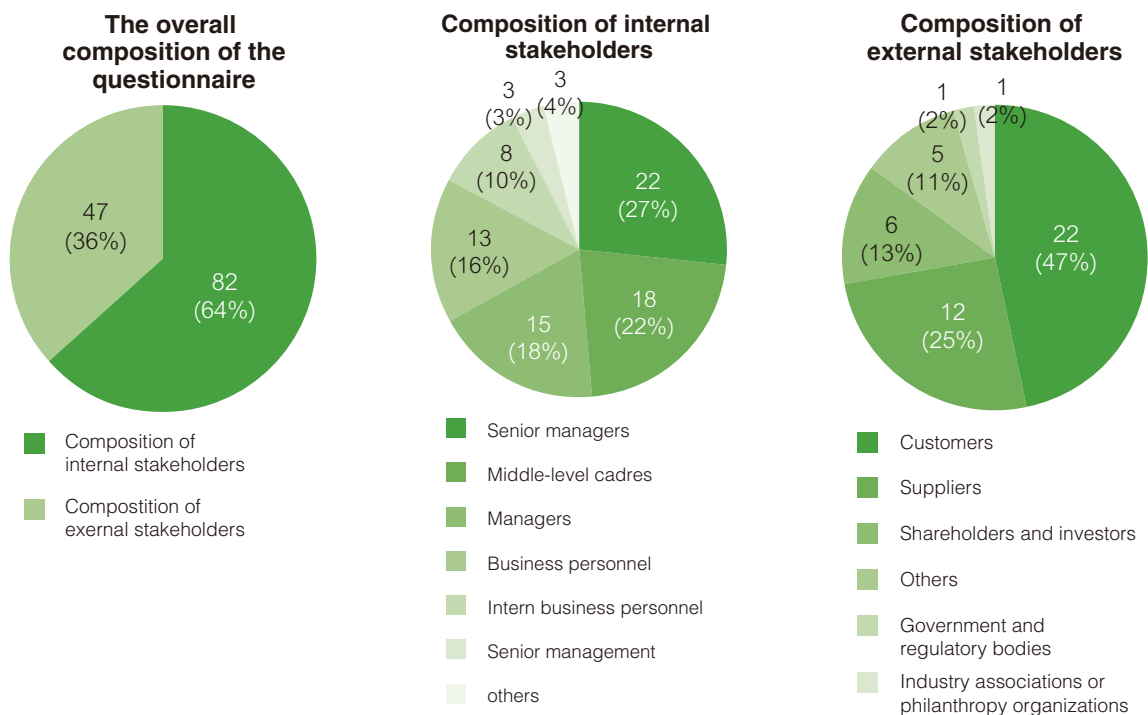
Governance and Building Culture of Responsibility (Continued)

Stakeholders	Demands and expectations	Communications and responses
Employees	<ul style="list-style-type: none"> • basic rights and interests protection • reasonable remuneration and benefits • promotion and development channel • health and safety preservation • care for employees in need 	<ul style="list-style-type: none"> • comply with relevant laws and regulations and establish sound employment system • establish competitive remuneration system • make promotion channel more transparent • organize job training and promote the development of employees • organize physical examination and care activities for employees in need
Organization of the industry and partners	<ul style="list-style-type: none"> • promote sound development of the industry • build genuine partnership based on mutual benefit 	<ul style="list-style-type: none"> • actively promote win-win cooperation with the peers • keep favorable interaction with various suppliers with deep belief
The media	<ul style="list-style-type: none"> • favorable interaction with the media • information disclosure 	<ul style="list-style-type: none"> • improve media communication mechanism • disclose information through multiple channels
Community	<ul style="list-style-type: none"> • support the development of the community 	<ul style="list-style-type: none"> • conduct activities associated with philanthropic donation, social welfare and volunteering service • develop favorable interaction with non-government organizations
Environment	<ul style="list-style-type: none"> • environmental protection and energy saving and emission reduction 	<ul style="list-style-type: none"> • green office • prioritize environmental protection and energy saving facilities and equipment • develop business related to new energy

4 Strengthening Social Responsibility Governance and Building Culture of Responsibility (Continued)

4.4 DETERMINATION OF MATERIAL ASPECTS

During preparation of the ESG report, the Group conducted consultation and research on ESG issues with key stakeholders, including government and regulatory departments, investors, partners, customers, employees, suppliers and communities of the industry through survey and interview. A total of 129 questionnaires were collected from the survey, the results of which served as a basis for the company's first environmental, social and governance report.



4 Strengthening Social Responsibility

Governance and Building Culture of Responsibility (Continued)

We identified 25 material ESG aspects and its significance through steps below.

- Step 1: Identifying potential aspects: Referred to the Hong Kong Stock Exchange Guidelines on Environmental, Social and Governance Reporting to sort out 25 aspects.
- Step 2: Stakeholder surveys: Identified and analyzed stakeholders' concerns through online surveys.
- Step 3: Topic-specific analysis: Analyzed the ESG topic matrix based on the questionnaire results and sorted the aspects.
- Step 4: Effective review and verification: Had the material aspects audited and confirmed by the management and experts of the Company and addressed them in the report.



4 Strengthening Social Responsibility Governance and Building Culture of Responsibility (Continued)

Ranking of material aspects

No.	Highly material aspects	No.	Moderately material aspects
1	Legitimate compliance and anti-corruption	17	Supply chain responsibility management
2	Risk management and disclosure	18	Community development and charity
3	Customer information and privacy protection	19	Energy saving measures
4	Credit rating management and disclosure	20	Waste disclosure and management
5	Support to urban infrastructure construction	21	Water saving measures
6	Strategy of serving the nation	22	Measures to reduce emissions
7	Intellectual property protection	23	Environmental protection measures
8	Inclusive finance	24	Disclosure and management of emissions
9	Staff development and training	25	Greenhouse gas disclosure and management
10	Support to clean energy development		
11	Employee safety and health		
12	Employment practices		
13	Support to poverty alleviation and development		
14	Product and service quality		
15	Complaint handling mechanism		
16	Anti-child labor and forced labor		

4 Strengthening Social Responsibility

Governance and Building Culture of Responsibility (Continued)

4.5 RESPONSIBILITY HONORS



Photo 4.5-1 In January 2016, China Development Bank Leasing was awarded the “Shenzhen Corporate Social Responsibility Evaluation★★★Grade Certificate” issued by Shenzhen Corporate Social Responsibility Promotion Association



Photo 4.5-2 In August 2016, China Development Bank Leasing was honored as “Shenzhen Key Service and Trade Enterprise in 2015” by Shenzhen Municipal Service Trade Association



Photo 4.5-3 In November 2016, China Development Bank Leasing was awarded the “Shenzhen City Banking 2015 Best Green Finance Award” medal by the Shenzhen Banking Association



Photo 4.5-4 In November 2016, China Development Bank Leasing won the title of “The Most Influential Leasing Company of the Year” in “2016 China Financial Institution Gold Medal Golden Dragon Award” organized by the “Financial Times”



Photo 4.5-5 In January 2017, China Development Bank Leasing was awarded the “Best IPO” award in the “China Financing” “2016 China Financing Listed Company Award” in Hong Kong

5 Ensuring Honest and Stable Operation to Enhance Management Level

The Company has always regarded honest and stable operation as its essential foundation and insisted on gaining reputation with integrity and expertise. In this regard, we constantly improve financing management, risk management, capital management and internal control through strictly abiding by various laws and regulations to ensure legal and compliant operation of the Company. Meanwhile, we satisfy customers' needs as generating value for our customers is the epitome of our market value. Therefore, we stick to cooperating with quality supplies, strengthen post-lease management and continue to enhance business and service level, so as to provide optimal solutions for customers.

5.1 FINANCE MANAGEMENT

5.1.1 Credit Rating Ranking Above Peers

On 31 August 2016, the Moodys' raised the Group's credit rating to Aa3, reaching sovereign rating. Meanwhile, the Group maintained its Standard & Poor's A+, Fitch's A+ and China Credit Trust top subject rating, maintaining its highest credit rating in the national lease industry while being one of the lease companies with the highest credit level globally.



5.1.2 Diversified Financing Channel

Benefited from its high credit rating, the Group constantly enhanced financing capability to realize diversified financing channels;

- **The Group continued to deepen cooperation with national and international banks and other financial institutions to ensure adequate capital for business development.** As of 31 December 2016, the Group maintained business relationship with 85 banks, securing uncommitted bank credit of approximate RMB416.21 billion, of which approximately RMB300.27 billion was unutilized uncommitted bank credit.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

- **The Group became the first to be approved to issue RMB-denominated financial bonds, thereby further supplementing the mid-to-long capital channel of the Group.** The Group was approved by Shenzhen China Banking Regulatory Commission and People's Bank of China to issue RMB-denominated financial bonds of RMB10 billion in February 2016 and September 2016, respectively. The Group successfully issued the first tranche of financial bonds in an amount of RMB3 billion for a term of three years and at an interest rate of 3.0%, hitting a record low among financial lease companies.
- **Through successful listing on the Hong Kong Stock Exchange, the Company expanded financing channel in the capital market and further enhanced its financing capability.** On 11 July 2016, the Company was successfully listed on the Hong Kong Stock Exchange and raised net proceeds of HK\$6,125.3 million through global offering (including the portion in the over-allotment and net of underwriting commission and related expenditure).

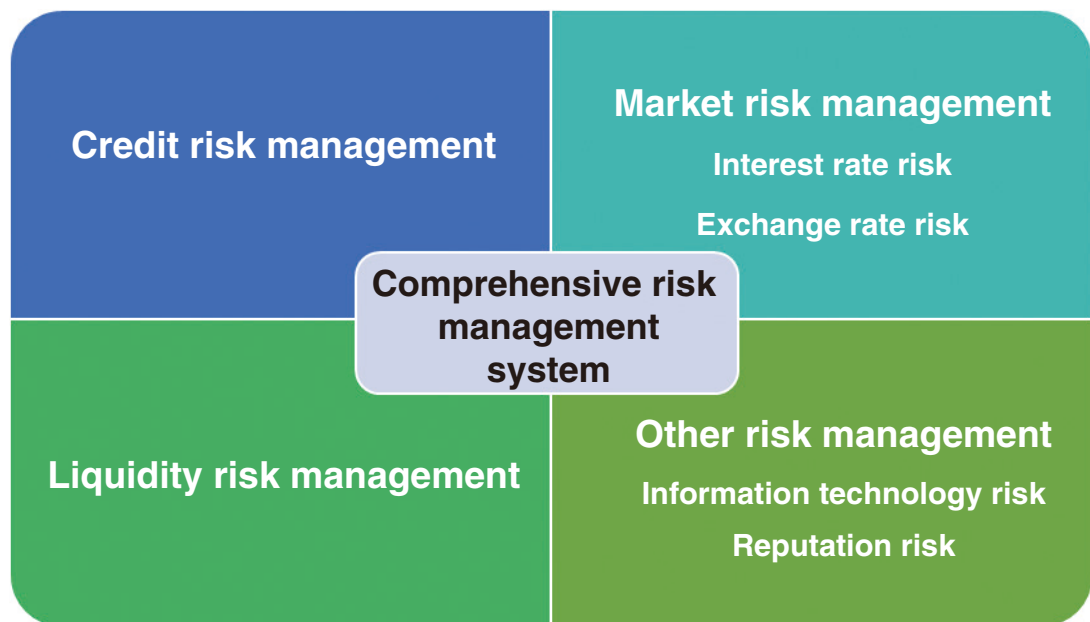
5.2 RISK MANAGEMENT

5.2.1 Risk Management System

In view of the potential risks faced in daily business, the Group has established a comprehensive risk management system to form a sound risk management structure and system. We have established a comprehensive third-level risk management system at the Board, Senior Management and Business Departments according to the *Implementation Fundamental Provisions on Comprehensive Risk Management of China Development Bank Financial Leasing Co., Ltd*, clarifying the risk management responsibilities boundaries of the line for various departments. At the same time, in the *China Development Bank Financial Leasing Co., Ltd Market Risk Management Approach*, *China Development Bank Financial Leasing Co., Ltd Operation Risk Management Provision*, *China Development Bank Financial Leasing Co., Ltd Compliance Risk Management Approach*, *China Development Bank Financial Leasing Co., Ltd's National Risk Management Approach*, *China Development Bank Financial Leasing Co., Ltd Reputation Risk Management Approach* and other systems, we have all kinds of risk management objectives and principles, identification and response strategies, management division of responsibilities, etc., which further improves and refines the Group's risk management system for continuous identification, assessment and monitoring of risks in day-to-day operations to achieve an appropriate balance between risk and benefit.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

In addition, we attach great importance to the setting of risk management standards and the use of risk management tools. As a financial institution supervised by the China Banking Regulatory Commission, we have developed risk guidelines and rules in accordance with the standards applicable to commercial banks, adopted strict risk management standards, designed and applied a set of risk management tools to effectively manage credit risk, market risk, liquidity risk and other risks.



5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

5.2.2 Risk Management Strategy

In 2016, the Group strengthened overall risk control and improved the overall risk management system.

- In terms of credit risks, through the optimization of the assessment mechanism, we standardized the lending process, strengthened the rent management, enhanced the audit supervision, and implemented non-performing assets responsibility and accountability, to achieve multi-level, full coverage risk management. Faced with the severe industry risks, we stabilized the quality of assets through strengthening risk pre-research, pre-judgment, early warning and multi-channel disposal to resolve non-performing and risky projects.
- In terms of market risks, we controlled the repricing of leased assets and corresponding liabilities to manage interest rate risks. We balanced assets and liabilities in currency to manage foreign exchange risks, and hedged exchange rate risk through currency derivatives.
- In terms of liquidity risks, we released and resolved liquidity risks through the establishment of a three-tier liquidity reserve system. We proactively managed the combination of assets and liabilities period, maintained the appropriate liquidity reserves and obtained continuous and sufficient funding through multi-channel and diversified sources.
- In terms of compliance risks, with the help of professional intermediaries, we established and improved internal control compliance system, promoted the standardization and specialization of compliance management, and elevated the ability in prevention and control of compliance risks. In view of the dual supervision from home and abroad after the listing, we strengthened the active compliance and ensured full-range compliance to prevent compliance risks.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

5.3 CAPITAL MANAGEMENT

The Group's main objective of capital management activities is to meet the capital requirements set by the China Banking Regulatory Commission, to ensure the Group's continuing operating capacity, to provide returns for shareholders, to maintain sufficient capital base, and to support business development.

5.3.1 Capital Adequacy Ratio above Regulatory Requirement

The management of the Group is closely monitoring the use of the Group's capital based on the relevant regulatory requirements promulgated by the China Banking Regulatory Commission. As of 31 December 2016, the Group's core capital adequacy ratio, tier-one capital adequacy ratio, and capital adequacy ratio were 13.42%, 13.42%, and 14.03% respectively, which were higher than those required by the China Banking Regulatory Commission.



5.3.2 Promoting Capital Inclusive Management Transformation

The Group continuously strengthened the capital management infrastructure capacity building, improved capital transmission and restraint mechanisms, and actively promoted capital inclusive management transformation. By strengthening the capital occupation and risk-weighted asset project analysis, we promoted business structure optimization, reduced inefficient capital occupancy, and continuously improved the efficiency of capital use. The role of capital as a stimulator and constraint in business development is further boosted.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

5.4 INTERNAL CONTROL MANAGEMENT

5.4.1 Improvement of System Construction

Improvement of system is the basis of realizing “corporate governance in accordance with rules and regulations”. In the principle of “prioritizing internal control”, we have prepared special internal control systems for the sections that are prone to risks in various operating activities, and implemented standard, procedural, systematic, and dynamic scientific management for rules and regulations in accordance with the Measures for Management of Rules and Regulations of China Development Bank Financial Leasing Co., Ltd.

In 2016, the Group initiated system improvement to detect system vulnerabilities and process defects, and strictly controlled various management defects and risk points to further improve the Company’s system and optimize relevant management processes.

- Comprehensively streamlined the Company’s system. At the beginning of 2016, the Company carried out a comprehensive system streamlining and accordingly developed the annual system construction plan.
- Carried out efficient and solid system construction. In 2016, the Company completed the construction of 123 systems, including preparation of 53 new systems, revision of 50 systems and abolishment of 20 systems. As at the end of 2016, the Company established a three-level integrated system consisting of “basic systems, special systems and operating procedures”. The Company has 256 systems covering 14 business categories including corporate governance, office, personnel and business and 38 sub-categories.
- Further optimized management process. The Company further enhanced policy examination in terms of risk, law and compliance to ensure compliant execution from various business sectors, and provide them with strong and powerful guarantee through system construction.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

5.4.2 Strengthen Internal Audit

On the basis of improvement of system construction, we have ensured the implementation of rules and regulations through strengthening internal audit. To this end, we have developed the Code of Conduct for Internal Auditors of China Development Bank Financial Leasing Co., Ltd., the Measures for Management of Internal Audit of China Development Bank Financial Leasing Co., Ltd., the Internal Audit Work Plan of China Development Bank Financial Leasing Co., Ltd. and other internal policies to effectively leverage internal audit in corporate governance, risk prevention, compliance, internal control, etc.

In 2016, the Group took restructuring and listing as an opportunity to continuously improve the design of internal audit function and strengthen audit capacity building and construction of talent team, and achieved satisfactory results in all works. Throughout 2016, the Company accumulatively conducted 39 internal audits and supervision work including daily audit of leasing business, examination of system implementation, evaluation of internal control, audit of information system outsourcing risks, audit of expenses, audit of overdue projects, audit of related transactions, audit of asset quality classification, etc. and pointed out the problems and shortcomings in terms of corporate governance, operation and management, risk management, internal control compliance, etc. and proposed specific suggestions to effectively promote the improvement of the Company's risk prevention and internal control compliance system.

5.5 COMPLIANCE WITH RULES AND REGULATIONS

5.5.1 Anti-corruption

The Group has always regarded anti-corruption as an important aspect of compliant operation. To this end, we have included the violations against national laws and regulations or the regulatory requirements of relevant departments that have formed or will form material external regulatory risks, and material violations against laws and regulations including private coffers, fraud, misappropriation of funds, etc. in the scope of “major risks” under the administration of Measures for Management of Major Risks and the Report Thereof of CDB Leasing Co., Ltd. for the purpose of strict regulation and severe treatment.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

In order to establish an effective mechanism to prevent and monitor corrupt practices and normalize operation, the Group has formulated the Measures for Anti-fraud Management of China Development Bank Financial Leasing Co., Ltd. (Trial Implementation) to stipulate fraud practices, anti-fraud work rights and responsibilities, fraud prevention and control, fraud cases handling procedures, anti-fraud work guidance and supervision, remedial measures and penalties for fraud, etc., create a good atmosphere for the Company's clean and diligent work and prevent damage to the interests of the Company and shareholders.

- Enhance staff's anti-fraud awareness and skills through staff manual, company rules and regulations, publicity or local area network, etc.
- Set up a "whistle-blowing hotline" to help staff correctly handle conflict of interests and improper beneficial temptation in work.
- Establish fraud cases treatment process for real-name and anonymous whistle-blowing of immoral and dishonest behaviors.
- Senior management can prevent and reduce false financial report or abuse of corporate assets by means including approval, authorization, inspection, verification, division of powers and responsibilities, performance review and protection of corporate assets.
- The Company conducts internal anti-fraud evaluation each year, and the auditors engaged by the Company also evaluate the potential fraud risks of the Company in statutory audit on the Company's financial statements.

The Company protects all staff engaged in legal whistle-blowing or investigation due to whistle-blowing, and particularly prohibits any discrimination, retaliation and hostility against the whistle-blowers. We also provide that, upon occurrence of fraud cases, appropriate measures shall be taken against the violators, and the results shall be reported to the internal and necessary external third parties. Staff committing a fraud shall be handled in accordance with relevant provision; those violating the criminal law shall be transferred to the judicial authorities for proceedings according to law.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

5.5.2 Anti-money Laundering

In order to improve the Company's anti-money laundering, the Group has formulated and issued the Measures for Management of Anti-money Laundering of China Development Bank Financial Leasing Co., Ltd. to set up and improve the anti-money laundering management mechanism. The Company stipulates that anti-money laundering shall follow the principles of identifying customer identity, providing transaction and customer identity records, strengthening internal control, abiding by laws, and keeping confidentiality.

- **Strengthen construction of organizational structure.** The Company has set up an anti-money laundering working group to oversee planning, arranging, supervising, managing and reporting anti-money laundering of the Company, and an anti-money laundering commissioner to report large and suspicious transactions.
- **Improve file management process.** Upholding the principles of safety, accuracy, completeness and confidentiality, the Company properly keeps the identity information and transaction records of customers so that transaction can be traced to provide information required for identifying customer identity, monitoring and analyzing transactions, investigating suspicious transactions and treating money laundering cases.
- **Stress on relevant staff training.** In accordance with requirements of the anti-money laundering prevention and monitoring system of the People's Bank, the Company continuously provides anti-money laundering training for its staff. The staff will attend at least one anti-money laundering training each year. The way of training includes on-site lectures, brochures, videos, share of information on intranet, memorandums, etc.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

5.5.3 Prevention of Case Risks

In order to establish and improve the case prevention management system, enhance responsibility investigation, realize case prevention beforehand and prevent and solve case risks early, the Group has formulated the Measures for Management of Case Prevention of China Development Bank Financial Leasing Co., Ltd. (Trial Implementation) to maintain the safe and stable operation of the Company.

- **Set up a team of case prevention management professionals.** A sound selection and training system is in place to guarantee the capabilities, experience and professionalism of the case prevention management personnel.
- **Strengthen training and education on case prevention for all staff.** Established and improved the staff compliance and case prevention training system, developed compliance and case prevention training plan and key business training programs, and set up a supporting training assessment mechanism.
- **Tighten up staff's professional norms.** Strengthened staff supervision and management. For example, the Human Resources Department is responsible for inclusion of investigation of staff's background before employment, professional ethics and other elements into the scope of case prevention management; the Discipline Inspection and Supervision Office is responsible for inclusion of staff behavior investigation into the scope of case prevention management, and supervision and investigation of staff's suspected abuse of powers for personal gain, illegal acceptance of gifts or cash in corporate activities, disclosure of corporate secrets, involvement in economic disputes or illegal cases, gangdom, eroticism, gambling, drug, money laundering, pyramid selling, illegal private financing and other abnormal behaviors.
- **Regularly carry out special work on case prevention,** such as case prevention assessment, case risk investigation, case prevention statistics.

In 2016, there was no major litigation case against the Company or employees.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

5.5.4 Prevention of Sanction Risks

As an international leasing company, our international business scope may subject us to trade and economic sanctions and other restrictions imposed by the United States, the European Union, Singapore, China and other governments or organizations in specific circumstances. In light of this, we have developed and implemented relevant policies and procedures to ensure that our international business meets the requirements of international sanctions and other applicable laws and regulations. In 2016, we were not involved in any serious violations of relevant laws or regulations and did not receive any complaints under any laws or regulations on sanction.

5.5.5 Protection of Intellectual Property Rights

Upholding the principles of “division of labor with individual responsibility, scientific management, encouragement of creation, and investigation of any infringement”, the Group has prepared the Measures for Management of Protection of Intellectual Property Rights of China Development Bank Financial Leasing Co., Ltd. for the purpose of strengthening protection of the Company’s intellectual property rights, standardizing the management of intellectual property rights, encouraging staff’s enthusiasm for invention and creation, and promoting the application of intellectual property rights, to improve the competitiveness of the Company. According to the measures, we have prepared strict provisions on the ownership, daily protection and handling of disputes of intellectual property rights.

- For the works which are presided over by the Company or created according to the willingness of the Company or for which the Company takes responsibilities, the Company shall be deemed as the author and the copyright shall belong to the Company. The works created by individuals for completion of the Company’s work tasks are works for hire and their copyrights shall belong to the author unless otherwise stipulated under laws, administrative regulations and contracts; however, the Company shall enjoy the priority of use to the extent of its business scope. Within two years after completion of works, the author is not allowed to permit any third party to use the works in the same way as adopted by the Company without consent of the Company.
- All departments are responsible for daily protection of the works created or used by them, tracking the application of the works, noticing whether the works are illegally used, and timely report any infringement to the Department of Legal Affairs.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

- The Department of Legal Affairs shall, after receiving the report on any infringement from relevant departments or discovering any infringement, shall take appropriate measures to conduct investigation in accordance with legal procedures, and other relevant departments shall assist and cooperate with the Department of Legal Affairs.

5.6 GUARANTEE BUSINESS QUALITY

5.6.1 Strengthen customer service and post-lease management

We care about customers' needs, stress the importance of maintaining good relations with customers, and adhere to provision of high quality services for domestic and foreign customers with a professional attitude to increase customers' confidence in the Company. In view of this, we have prepared the Measures for Post-lease Examination and Management of China Development Bank Financial Leasing Co., Ltd., and gradually established a set of standard business management processes and customer service system, and focused on strengthening the post-lease management.

In order to further improve post-lease management, dynamically grasp the operating conditions of the lessee, and improve the ability of rapid response, subsequent to the full-scope examination in 2015, the Company strengthened and standardized post-lease management and was committed to improving capability of early warning of post-lease risk in 2016.

In 2016, the Group learned from the post-lease inspection that customers were generally satisfied with our work, and did not receive any complaints.

5.6.2 Protect customer information

In order to properly manage the profiles of customers that we have business relation with and practically protect the privacy of customers and consumers, the Group has formulated the Measures for Management of Business Secrets of China Development Bank Financial Leasing Co., Ltd., and set up a Confidentiality Committee of CDB Leasing. Different departments of the Company assume their responsibilities and cooperate with each other. They implement policies on supervision and inspection, and rewards and punishments, and regularly hold Confidentiality Committee meetings to study and verify issues within the committee's scope.

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

According to the Measures for Management of Business Secrets of China Development Bank Financial Leasing Co., Ltd., we divide the Company's business secrets into three levels, i.e. "Guoyin Secret A", "Guoyin Secret B" and "Guoyin Secret C", and detail rules and regulations on ensuring security of business secrets and convenience of work. For example, the "Guoyin Secret B" and "Guoyin Secret C" shall be handled via computers, printers and scanners connected to the intranet, or subject to point-to-point transmission between formal employees of the Company using email through the intranet, and shall not be handed, prepared or transmitted through internet. After handling, the relevant contents shall be deleted to protect information of customers and the Company.

In 2016, the Group did not have any significant information leakage and achieved positive results in respect of customer information protection.

5.6.3 Strengthen supply chain management

- ***Supplier management***

In order to guarantee the quality of the leasing business and effectively control the business impacts on environment and society, we mainly choose the industry leaders as leased assets suppliers. As of 2016, our major leased assets suppliers include:

Table 5.6-1 List of Major Leased Assets Suppliers

Aircraft suppliers	Ship suppliers	Commercial vehicle suppliers	Construction machinery suppliers
Airbus	Samsung Heavy Industries Co., Ltd.	Beiqi Futian Motor Company Limited	Sany Heavy Industry Co., Ltd.
Boeing	Shanghai Jiangnan Changxing Heavy Industry Co., Ltd.	BYD Company Limited	Xuzhou Construction Machinery Group Limited
Embraer			

5 Ensuring Honest and Stable Operation to Enhance Management Level (Continued)

- ***Business investment management***

According to Guidelines on Leasing Business of China Development Bank Financial Leasing Co., Ltd., the Group ensures the application of high quality resources of the Company for concentrated investment in national strategic focuses and the focus industries and areas of CDB in accordance with the national macroeconomic policies, industrial policies, environmental policies and other major policies, and it is prohibited to support the eliminated items, new capacity projects with severe overcapacity, and other industry projects that are not national or the Group's strategic focus with risk concentration under the Industrial Structure Adjustment Guidance Catalogue (Edition 2011 and Revised in 2013) published by the National Development and Reform Commission. The Group insists on highlighting the Company's professional advantages, enhancing the Company's comprehensive influence, and maximizing resource usage efficiency.

- ***Purchase management***

In order to ensure completion of purchase in a compliant and efficient way, the Group has prepared and implemented the Detailed Rules on Implementation of Centralized Purchase of China Development Bank Financial Leasing Co., Ltd. in accordance with the Bidding and Tendering Law of the People's Republic of China, the Regulations on Implementation of the Bidding and Tendering Law of the People's Republic of China, the Several Provisions on Strengthening Centralized Purchase Management of State-owned Financial Enterprises, etc. aligning management of contracted purchases of goods, engineering and services outside our operating business.

Adhering to the centralized purchase principles of openness, transparency, competition, efficiency and risk prevention, we have set up a tendering and bidding committee to review and decide on purchases, and oversee bid evaluation for specific purchases.

6 Serving the Real Economy with Leasing to Promote Technological Progress

As the sole leasing business platform and listing platform of China Development Bank, by leveraging advantages of our parent company-China Development Bank, we cooperate with it and respond to the needs of the national macro-strategy to carry out business in aircraft, infrastructure, equipment manufacturing, and the “Going Out” policy, so as to provide comprehensive financial support for real economic development as well as to promote technological progress, social development and economic transformation.

6.1 SUPPORTING THE GROWTH OF AIRLINES AND AIRCRAFT MANUFACTURING

According to the “Opinion on speeding up development of aircraft leasing business” (《關於加快飛機租賃業務發展的意見》) issued by the General Office of the State Council, aircraft leasing should be taken as an important approach to “promote the large aircraft strategy and manufacturing transformation and upgrading, enhance the aviation serving capacity and optimize resources allocation”. CDB Leasing actively responds to national call by launching bulk aircraft procurement program as a significant task to serve national strategy and fulfill social responsibility, guiding the development of aviation leasing Industry of China.

In this regard, taking the opportunity of national macro-policy support for aircraft leasing, the Group has gradually achieved the strategic transformation and has formed a business development model with focus on aircraft procurement and proactive leasing, supplemented by sale-and-leaseback and asset portfolio transactions through direct aircraft procurement from Airbus and Boeing and aircraft slots resources reserve. At the same time, the successful implementation of aircraft bulk procurement not only enhanced the specialization, marketization and internationalization level of CDB Leasing, but also consolidated and strengthened its global competitiveness in the field of aircraft leasing. It set a good example among the peers and brings significant inspiration for the domestic financial leasing companies to build an international brand.

In addition, as an initial user of ARJ21 regional jet and C919 big jetliner of Commercial Aircraft Corporation of China, Ltd. (COMAC) and Modern Ark 60 and Modern Ark 700 of Aviation Industry Corporation of China (AVIC), CDB Leasing also spares no effort to support the development of China’s civil aircraft manufacturing industry, making contribution to the growth of domestic manufactured civil aircraft industry.

As at 31 December 2016, the total assets of the Group’s aircraft leasing segment amounted to RMB62,606 million and the aircraft fleet comprised 403 aircrafts, including 192 owned aircrafts, 11 managed aircrafts and 200 committed aircrafts. The average age of the Group-owned aircraft fleet was 4.8 years. The Group has established a new and diversified aircraft portfolio with a leading scale, which adapts to the industry development trend.

6 Serving the Real Economy with Leasing to Promote Technological Progress (Continued)

[Case] CDB Leasing ordered 30 B737 aircrafts from Boeing

On 22 September 2015 local time, President Xi Jinping arrived in Seattle, starting his state visit to the US. At the same time, CDB Leasing announced to order 30 B737 aircrafts (B737-800NG) from Boeing, the total price of which is approximately US\$3 billion.

The signing of the contract not only represents significant cooperation intention from both companies, but also reflects the friendly cooperation on aviation between China and the United States, which is important for promoting healthy development of China aircraft financing and leasing and opening foreign aircraft leasing market.



Figure 6.1-1 The Chairman of CDB Leasing Wang Xuedong and the president and CEO of Boeing Commercial Airplanes Ray Conner signed the order with the witness of the director of the National Development and Reform Commission Xu Shaoshi and the chairman of Boeing Dennis.

[Case] CDB Leasing witnessed the successful first fly of COMAC C919 big jetliner

On 5 May 2017, the chairman of CDB Leasing attended the first fly ceremony of COMAC C919 big jetliner, and witnessed the successful first fly of first large aircraft C919 independently developed by China.

In November 2010, at the launching ceremony of the first batch orders of COMAC C919 big jetliner, CDB Leasing signed a purchase agreement with COMAC for 15 C919, becoming an initial user of C919 aircraft and fulfilling the commitment to promoting the independent research and development of domestic-manufactured aircraft and the development of China's civil aircraft manufacturing industry.



Figure 6.1-2 CDB Leasing witnessed the successful first fly of COMAC C919 big jetliner

6 Serving the Real Economy with Leasing to Promote Technological Progress (Continued)

6.2 PROMOTING INFRASTRUCTURE CONSTRUCTION

The Group considers infrastructure leasing as one of its core business segments. Currently, we have carried out infrastructure leasing business across China, including transportation infrastructure leasing (toll roads, rail transit), urban infrastructure leasing (municipal facilities, affordable housing) and energy infrastructure leasing (energy and electric power equipment).



Transportation infrastructure construction

- Toll roads, rail transit



Urban infrastructure construction

- Municipal facilities, affordable housing



Energy infrastructure construction

- Energy and electric power equipment

In the infrastructure leasing sector, the Group has formed a relatively mature business model with extensive business experience, and its business scale and profitability steadily improved. In 2016, the Group continued to enhance the development of infrastructure leasing, the lease financing of which accounted for 54.5% of the total lease financing to lessees throughout the year, achieving a substantial growth year on year. As at the end of 2016, the total assets of the Group's infrastructure leasing segment amounted to RMB68,677 million, representing an increase of RMB8,016 million (13.2%) compared to the end of last year.

We participate in infrastructure construction through leasing and activating the existing infrastructure assets, which provides financing for the government and enterprises, while effectively enhancing the level of infrastructure construction at project locations. Furthermore, it is of great importance for improving living environment, enhancing urban comprehensive carrying capacity, increasing urban operation efficiency and steadily promoting new urbanization.

6 Serving the Real Economy with Leasing to Promote Technological Progress (Continued)

[Case] Sale-and-leaseback project of urban water pipeline network of Changde city

The State Council has issued a number of guidelines on the construction of urban underground pipelines, which considers underground pipeline network renovation and construction as the top priority of urban infrastructure construction during the “Twelfth Five-Year Plan” period.



Figure 6.2-1 With support from the financial leasing business of CDB Leasing, Changde initiated the renovation of urban underground facilities

As the intersection of the three national comprehensive reform pilot areas – Changsha-Zhuzhou-Xiangtan urban agglomeration, Wuhan Metropolitan coordinating region and Chengdu-Chongqing metropolitan area, Changde is constantly under pressure of urban integrated management arising from population growth. In the next 10 years, the infrastructure construction of Changde will focus on the renovation of obsolete urban pipeline network. With support from the financial leasing business of CDB Leasing, Changde initiated the renovation of municipal underground facilities, covering four major pipeline networks of urban infrastructure (i.e. sewage and rain, water and natural gas pipeline) and electricity and telecommunications facilities.

The project not only promoted the renovation of urban underground pipeline networks, upgraded the urban infrastructure, effectively improved the local living environment, but also played an important role in boosting urban comprehensive carrying capacity, improving urban operation efficiency and steadily promoting new urbanization.

6 Serving the Real Economy with Leasing to Promote Technological Progress (Continued)

6.3 DRIVING THE TRANSFORMATION AND UPGRADING OF CHINA'S MANUFACTURING INDUSTRY

In 2015, the State Council unveiled “Made in China 2025” plan, which put forward the “three-step” strategy to build a world manufacturing power in three decades and the first 10-year action plan aimed to transform China from a manufacturing giant into a world manufacturing power. The plan is known as the Chinese version of “Industry 4.0”. In terms of improving financial support policies, “Made in China 2025” plan supports large manufacturing enterprises in key areas to carry out pilot run in the integration of industry and finance, promoting the transformation and upgrading of manufacturing industry through financial leasing.

In the process of supporting the upgrade of China's manufacturing industry through finance, financial leasing, as a financial instrument based on asset credit and with the new financial features integrating finance, trade and service, is able to bridge the capital and industry. It becomes a connection beneficial to the integration of industry and finance and a useful supplement to the traditional financing channels like bank credit. The “Made in China 2025” plan and the development of the finance leasing industry will also be interactively promoted by each other through the integration of industry and finance.

In response to the “Made in China 2025” strategy, the Group actively carried out research on relevant industries and business exploration. It is determined that we will promote business in equipment manufacturing industry, strategic emerging industries, environmental protection industry and national policy supported manufacturing sector according to strategic plan and focus. We will also actively impel product model innovation, while building a new growth driver for our Company.

6 Serving the Real Economy with Leasing to Promote Technological Progress (Continued)

[Case] Cooperation between CDB Leasing and Zhongman Group in Iraqi oil drilling equipment leasing to support the upgrade of domestic high-end equipment manufacturing industry

Since 2014, CDB Leasing and Zhongman Group (oil drilling rig manufacturer in China) have established cooperation in Iraqi oil drilling equipment leasing to provide oil drilling service for foreign project developer. The financial leasing of the four sets of equipment in phase I with a value of US\$36 million has been fully offered to the lessees. Currently, we are actively promoting the leasing of the six sets of equipment in phase II with a value of US\$78 million. The project is a representative deal of CDB Leasing on serving the international production capacity and conducting equipment manufacturing cooperation in market-oriented leasing, which is of great importance for supporting the revitalization of the domestic high-end equipment manufacturing industry.



Figure 6.3-1 Iraqi oil drilling equipment to which CDB Leasing provides financing support

[Case] CDB Leasing participated in “2016 High-end Ro-pax Ferry Development Seminar” to discuss the development of China’s high-end ship manufacturing industry

On 5 April 2016, CDB Leasing participated in “2016 High-end Ro-pax Ferry Development Seminar” jointly held by AVIC International Ship Development (China) Co. Ltd. and Stena AB in Sweden (one of the largest global ro-pax ferry owner). The seminar was of the view that the high-end ro-pax ferry and luxury ro-pax vessel were in line with the plan to “improve the overall international competitiveness of high-tech vessel” stated in the “Made in China 2025” strategy and the plan to strive to develop “luxury ro-pax vessel” stated in the “New mission and new journey towards manufacturing powerhouse” issued by Shanghai Municipal Government. CDB Leasing will actively cooperate with international and domestic ship manufacturing enterprises, thereby guiding the transformation of existing ship manufacturing and laying a good foundation for China to move toward high-end ship manufacturing.



Figure 6.3-2 CDB Leasing participated in “2016 High-end Ro-pax Ferry Development Seminar” to discuss the development of China’s high-end ship manufacturing industry with peers.

6 Serving the Real Economy with Leasing to Promote Technological Progress (Continued)

6.4 IMPLEMENTING THE “GOING OUT” STRATEGY AND RESPONDING TO THE “ONE BELT, ONE ROAD” INITIATIVE

As an industry closely integrated with the real economy, financial leasing industry seized the opportunities of national capital output, technology output and capacity output to provide financial leasing services in the areas of research and development, production, sales, and overseas markets expansion of domestic manufactured commercial aircraft, high-speed rail equipment, nuclear power units and electric power equipment, and has become an important driver for the application promotion and “going out” of high-end equipment manufacturing industry.

In order to implement the “Going Out” strategy and respond to the “One Belt, One Road” initiative, CDB Leasing, as the leasing business platform of China Development Bank, actively follows the national policy orientation to capture opportunities for rapid development of international business and overseas customers. As at the end of 2016, we carried out aircraft leasing business with 28 aircraft lessees in 21 overseas countries, and conducted ship leasing business with 30 ship lessees in three overseas countries.

In 2016, to further promote the development of internationalization and professionalization of the Aircraft Leasing segment, the Group established a specialized aviation subsidiary in Ireland and introduced overseas talents and advanced management experience. As such, the Group preliminarily established an international aviation team as well as an international aviation management system, laying a foundation of organization structure, human resources and market mechanism for deepening the internationalized reform of the aviation business. The establishment of a specialized aviation subsidiary in Ireland was approved, making CDB Leasing the first financial leasing company to establish an overseas specialized leasing subsidiary under the approval of China Banking Regulatory Commission, which not only contributes to the raised position and influence of China leasing enterprises in the international aviation financing market and the achievement of the goal of “focusing on China while expanding world-widely”, but also is of positive significance for driving China aviation finance to engage in global competition, and builds channel and accumulates experience for the global financial leasing of large aircrafts manufactured by China after its launch.

6 Serving the Real Economy with Leasing to Promote Technological Progress (Continued)

[Case] CDB Leasing signed an intention purchase agreement with AVIC Xi'an Aircraft Industry (Group) Co., Ltd. (XAC) to purchase 30 "Modern Ark 700" aircrafts

On 18 August 2015, CDB Leasing signed a letter of intent with XAC to purchase 30 "Xinzhou700" aircrafts in the launching ceremony of China-made turboprop-powered regional aircraft – "Xinzhou700", the amount of which was approximately US\$900 million.



6.4-1 China Development Bank Leasing and Xifei Civil Aviation Group signed an intention purchase agreement to buy 30 Xinzhou MA700 aircrafts

This signing marks the step towards engineering development of XAC Xinzhou700 from its research phase, which is a significant deal which demonstrates the efforts made by CDB Leasing to promote the development and world-wide expansion of China's aviation equipment.

[Case] China Development Bank Leasing and China National Machinery Import & Export Corporation discussed on the "Going Out" of Chinese enterprises equipment and "One Belt and One Road" construction

On 8 December 2016, China Development Bank Leasing and China National Machinery Import & Export Corporation held an executive discussion, the two sides conducted deep discussion and exchanged views on the "Going Out" of Chinese enterprises equipment and "One Belt and One Road" construction. The two sides intended to take this cooperation as an opportunity to further carry out in-depth cooperation on large-scale equipment exports.



6.4-2 On-Site Discussion Between China Development Bank Leasing And China National Machinery Import & Export Corporation

7 Developing Green Financial Leasing to Build a Beautiful China

The beautiful natural environment is the foundation of the existence and development of the whole human society, which is the driving force of our commitment to promoting green environmental protection. We adhere to the green concept in operation and business process. We have devoted special attention to the development and application of new energy sources, energy-saving aircraft and shipbuilding, and hope to make a real contribution to the sustainable development of the ecological environment.

7.1 NEW ENERGY INFRASTRUCTURE LEASING

Based on the experience of the Group to provide equipment leasing services for traditional Chinese electric power enterprises, we follow the national energy structure optimization policy guidance and provide leasing services for clean energy enterprises with good prospects for development.

In 2016, the Group strengthened the situation analysis and industry research, promoted clean energy and power equipment business, focused on strengthening the development of leading enterprises in the industry, and signed cooperation framework agreement with a number of key customers. We reserved, decided on and invested in a number of prospective clean energy and power equipment leasing projects. At the same time, we explored the diversification of leasing modes, promoted co-operation with the industry, carried out clean energy power plant direct rental projects, and enhanced market competitiveness.

As of 31 December 2016, the Group provided energy and power equipment rental services to enterprises in 15 provinces, autonomous regions and municipalities directly under the Central Government. More than 20 projects were new energy infrastructure leasing business, involving wind power, hydroelectric power, photovoltaic power generation, nuclear power, wind and solar powered street lights, solar cells and other fields.

These clean energy projects will not only achieve full use of renewable energy, saving non-renewable fossil resources, but also greatly reduce environment pollution, conserve fresh water, and make positive impacts on improving the atmospheric environment

7 Developing Green Financial Leasing to Build a Beautiful China (Continued)

[Case] Hunan Chenzhou wind and solar powered street lights leasing

In response to the national call for building harmonious eco-towns, China Development Bank Leasing and Hunan Chenzhou municipal government reached an agreement on the “village light” project. After the comprehensive consideration of the actual needs of the locality and energy-saving emission reduction requirements, China Development Bank Leasing, together with its customers, upon multi-party research, selected a brand of “full permanent magnetic suspension” wind and solar powered street lights as the lease. We provide green energy-efficient lighting services through operating lease. The new energy lighting system makes full use of wind and solar power, achieving “zero emissions” and “zero pollution” in real terms. It is the only Chinese product recognized as “World’s Top Ten Green Invention”, and won the United Nations “Global Renewable Energy Field of the Most Investment Value of the Top Ten Leading Technology Blue Sky Award”.



Photo 7.1-1 Chenzhou wind and solar powered street lights project

Referencing the alternative ordinary street lamp, with 250W per pole, a 10-year life cycle, and 10 hours of lightning per day, using wind and solar powered street lights every 1 km on sub main line can accumulatively save 860,000 degrees of electricity, equivalent to 434 tons of standard coal, 3,434 tons of water purification, reducing CO² emissions by 856 tons, reducing SO² emissions by 26 tons, and reducing carbon emissions by 234 tons.

7 Developing Green Financial Leasing to Build a Beautiful China (Continued)

7.2 NEW ENERGY CAR LEASING

In recent years, policies on encouraging the development of new energy cars have been introduced one after another. The Group has been actively promoting new energy car business in line with market demand and policy guidance, and has cooperated with many large domestic bus companies.

In accordance with leasing business guidance, we continued to follow up the national new energy car special R&D and implementation plan. Regarding key enterprises in the planned automotive industry chain as our key support customers, we took businesses that serve the public transport, people's livelihood as key support projects. In addition, according to the Company's guiding opinions on carrying out urban public transport leasing business, we provided key support to the promotion and application of new energy bus vehicles, and defined the roles and responsibilities in project implementation, and business model.

As of the end of 2016, we signed four contracts for new energy car, and leased out 1,385 new passenger cars. In addition, China Development Bank Leasing and Shenzhen Franchise Bus Company agreed on the cooperation intention for the order of 4,970 new energy buses, which are to be rolled out in 2017.

[Case] The Emission Reduction Effect of New Energy Bus BYD K9

New energy buses are promising in emissions reduction. Take BYD K9 for example, compared with the traditional fuel bus, one K9 can save 42,360 liters of fuel one year, reducing carbon dioxide emissions by 95 tons, equivalent to that of planting 5,200 trees. The 6,300 plus pure-electricity driven cars provided by China Development Bank Leasing will reduce a total amount of carbon dioxide emissions equivalent to that of planting over 33 million trees in Shenzhen.



Photo 7.2-1 New Energy Bus BYD K9 delivered by China Development Bank Leasing

7 Developing Green Financial Leasing to Build a Beautiful China (Continued)

7.3 ENERGY-EFFICIENT AIRCRAFT LEASING

In the aircraft leasing business, China Development Bank Leasing maintains focus on aircraft's energy-saving performance. For example, the 130 Boeing and Airbus aircrafts we ordered in 2014 were the most advanced next generation of narrow-body aircraft B737NG and A320XLR in the market at the time, and the next generation of narrow-body mode with higher fuel efficiency on this basis B737MAX and A320XLR.

[Case] The Energy Saving Effect of Narrow-Body Aircrafts B737MAX and A320XLR

In terms of environmental improvements, B737MAX is more energy efficient, quieter and more efficient than the B737NG. In addition to fuel consumption savings and reduced carbon emissions, B737MAX also reduces emissions by about 50% of carbon monoxide and its noise level is 40% lower than the ICAO's environmental protection limits (e.g. CAEP/6).



Photo 7.3-1 Energy-efficient aircrafts ordered by China Development Bank Leasing

Airbus A320XLR can also reduce fuel consumption and carbon dioxide emissions. Its nitrogen oxide emission is 50% lower than the CAEP/6 standard, and its noise level is also significantly reduced. The A320XLR aircraft comes with Airbus' latest shark fins, enabling the A320XLR series to reduce carbon dioxide emissions by more than 1,000 tons per year, equivalent to one year of emissions from 200 family cars.

7 Developing Green Financial Leasing to Build a Beautiful China (Continued)

7.4 ENERGY-EFFICIENT SHIP LEASING

Ship leasing is also one of the important business segments of China Development Bank Leasing. Through the ship leasing business, we have continuously optimized the fleet asset structure, strongly supported the building of advanced technology, energy saving and environmental-friendly ships, promoted development in size, technology and energy conservation for the Group's fleet, and continuously enhanced the market competitiveness of our own fleet.

[Case] CDB Leasing carried out financial leasing project of 8 very large ore carriers (VLOC), weighing 0.26 million tons with FMG

CDB Leasing carried out financial leasing project of 8 VLOCs weighing 0.26 million tons with world's fourth-largest mining enterprise, and those VLOCs were built in national well-known shipyard.



Figure 7.4-1 CDB Leasing team participated in naming ceremony of the first built vessel "FMG NICOLA" in the financial leasing project of 8 VLOCs weighing 0.26 million tons

[Case] CDB Leasing cooperated with Costamare to build five 14,000TEU very large container ships (VLCS)

CDB Leasing cooperated with Greek ship owner Costamare to build five 14,000TEU VLCSs in Korean Samsung shipyard which were successfully delivered in 2016.

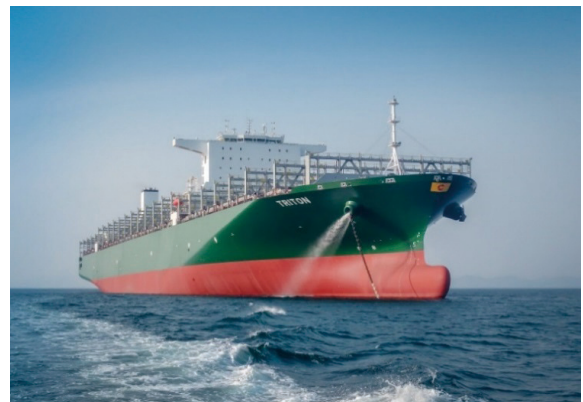


Figure 7.4-2 CDB Leasing cooperated with Greek ship owner Costamare in financial lease of vessel TRITON

8 Developing Inclusive Finance Leasing to Enhance People's Livelihood and Well-being

As an ancient saying goes, “In success, one tries to let others be benefited”, the development of inclusive finance and to enhance people's livelihood is one of the important mission in our social responsibility. Through the development of financial projects, we promote poverty alleviation and development in backward areas, and contribute to the improvement of people's livelihood in underdeveloped areas. At the same time, we also carry out small and medium-sized micro-leasing business to alleviate the small and medium-sized micro-lessee financing bottlenecks, thus promoting the construction of inclusive finance system to maintain national financial stability and enhance the momentum of economic development.

8.1 FINANCIAL LEASING SUPPORT FOR POVERTY ALLEVIATION AND DEVELOPMENT

On 29 November 2015, the State Council promulgated the Decision of the CPC Central Committee and the State Council on Winning the Struggle against Poverty, and put forward the “Poverty Alleviation” strategy for achieving overall poverty alleviation and comprehensively building a well-off society by 2020.

As a market-oriented subsidiary of the China Development Bank, China Development Bank Leasing gradually explores the path of innovation model of poverty alleviation. In 2016, we actively cooperated with the substantial shareholder China Development Bank to promote the development of financial poverty alleviation business, operating a total of four representative poverty alleviation projects, with a total of RMB3.38 billion of funds to support local infrastructure construction to enhance people's livelihood and improve local residents' living standards. At the same time, it is significant for the promotion of regional coordinated development and the building of a comprehensive well-off society.

8 Developing Inclusive Finance Leasing to Enhance People's Livelihood and Well-being (Continued)

[Case] Financial Leasing Projects of Henan Province Kaifeng City Lankao County

In 2016, China Development Bank Leasing and China Development Bank actively cooperated by adopting the “loan, rent linkage” model to revitalize Lankao County local municipal road infrastructure stock assets, and raise funds to improve the public service infrastructure construction in the local livelihood sector, with the overall project amount reaching RMB600 million.



Photo 8.1-1 China Development Bank Leasing and Lankao County Government signed a cooperation agreement on infrastructure finance leasing project

The smooth lending of the project has strongly supported the work of the Lankao inclusive finance experimental zone, which has improved the efficiency of the capital integration of the Lankao County government and led to the implementation of the China Development Bank Henan branch in respect of Shanty-area Renovation, infrastructure and education loans, which would help alleviate farmers out of poverty, realize modern and efficient agriculture, modern rural civilization, as well as coordinate development between urban and rural development.

[Case] Guangxi Autonomous Region Baise City Finance Leasing Project

Through the revitalization of Guangxi Baise Bi Cheng Lake water conservancy facilities assets, we provided financial services support to the old revolutionary city of Baise. The project amounted to RMB2 billion. Its smooth implementation revitalized the local water conservancy facilities assets. The project fund was spent on Baise Baidong new city infrastructure construction and public service projects, which is of great significance to support the development of the western region of Guangxi, and promote the development of revolutionary base and strengthening local infrastructure investment.



Photo 8.1-2 China Development Bank Leasing provided financial services support to the old revolutionary base through the revitalization of Guangxi Baise Bi Cheng Lake water conservancy facilities assets

8 Developing Inclusive Finance Leasing to Enhance People's Livelihood and Well-being (Continued)

8.2 SUPPORT SHANTYTOWNS RENOVATION AND AFFORDABLE HOUSING CONSTRUCTION

To support shantytowns renovation and affordable housing construction, CDB Leasing pioneered the model of supporting affordable housing construction by leasing. The Group primarily engages in affordable housing leasing business through sale-and-leaseback transactions. As at the end of 2016, the Group cooperated with local governments in five provinces, autonomous regions and municipalities to carry out affordable housing leasing business, and provided financing for more than 37,000 affordable houses.

[Case] CDB Leasing supports the affordable housing construction in Liangjiang New Area, Chongqing

Since 2011, CDB Leasing has customized financing plans for two sale-and-leaseback projects, i.e. Tianbaozhai public rental housing in Liangjiang New Area and Shuitusiyuan public rental housing in Beibei, Chongqing.

The projects have solved the housing problem for approximately 40,000 people and the problem of living facilities in Liangjiang New Area, enhanced the attraction of the parks for talents and improved the investment conditions. In addition, they have also facilitated the coordinated urban and rural development and enhanced the urban competitiveness of Chongqing.

Adopting the “Chongqing Model” of public rental housing, the projects solve the housing problem through government guarantee and market supply, and realize material system innovation, representing great significance for exploring new development and opening model of inland areas, propelling the construction of a well-off society in an all-around way, and promoting the coordinated development of all regions.



Figure 8.2-1 CDB Leasing cooperated with Chongqing local government to carry out low-rent housing leasing business

8 Developing Inclusive Finance Leasing to Enhance People's Livelihood and Well-being (Continued)

8.3 CARRY OUT LEASING BUSINESS FOR MEDIUM, SMALL AND MICRO-SIZED ENTERPRISES

In response to the policy of inclusive finance, the Group has gradually formed a set of commercial vehicle and construction machinery leasing system with the characteristics of CDB Leasing through market-oriented operation. Through the corresponding business development, we have effectively helped manufacturers and vendors improve the efficiency of payment collection, enhance the financing efficiency of small and micro-sized enterprises and natural persons, and have also effectively alleviated the bottleneck constraints of difficult financing with medium, small and micro-sized lessees, which is conducive to promoting the construction of inclusive finance system, maintaining national financial stability, and enhancing the momentum for development of real economy.

Before the introduction of commercial vehicle and construction machinery leasing products, the Group's commercial vehicle and construction machinery supporting financial instruments were mainly operated in credit model. There is lack of a real financial product of "the nature of benefiting all" for commercial vehicle and construction machinery in China. Some individual customers with weak financial strength, especially in less developed areas, are difficult to finance through credit. The original financial services model cannot meet the market demands and is not conducive to promoting the operation and development of relevant small and micro-sized enterprises and individual customers.

The financial leasing business model adopted by the Group in China effectively solves the difficulty with small and micro customers in financing. As at the end of 2016, the scope of business covered all provinces, municipalities and autonomous regions except Taiwan, Hong Kong and Macao, and provided financial services for over 30,000 small and micro customers to help them solve financing difficulties, enhance operational efficiency, and improve the lives of most natural persons as lessees.

8 Developing Inclusive Finance Leasing to Enhance People's Livelihood and Well-being (Continued)

Commercial vehicle leasing business: The Group takes the lead in launching commercial vehicle “Zulintong” product and has established cooperation relationship with top ten passenger car manufacturers in China. It has integrated commercial vehicle manufacturers, retailers and end user cooperation chains and formed financial leasing service model with leased assets as the carriers. Ever since the commencement of business development, it has accumulatively leased 34,071 vehicles, including medium and heavy duty trucks, passenger cars, dedicated vehicles, etc. The scope of business has covered all provinces, municipalities and autonomous regions except Taiwan, Hong Kong and Macao.



Figure 8.3-1 Commercial vehicle provided by CDB Leasing as leased assets

Construction machinery leasing business: A sustained business development model with two leading machinery enterprises Sany and Xuzhou Construction as the core and supplemented by key manufacturers in other sectors has taken shape, achieving mutual benefit and win-win situation for cooperative manufacturers. So far, the Group has accumulatively leased 35,005 sets of equipment involving 26,593 lessees.



Figure 8.3-2 Construction machinery provided by CDB Leasing as leased assets

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth

The Group deems talents as the precious resources of the Company and is committed to creating first-rate performance with first-rate talents. To this end, we have always adhered to the “people oriented” employment idea and safeguard staff's interests in an all-round way. We continuously implement diversified care programs to promote physical and psychological health of our staff, striving to create an equal, innovative, energetic and friendly working environment and provide a platform for growth and development for our staff. In 2016, taking the advantage of listing, we proactively deepened the market-oriented reform for the human resources system to further unleash staff's potentials and jointly create a more brilliant future.

9.1 EMPLOYMENT OVERVIEW

9.1.1 Basic Employment Policy

In order to implement the strategy of “prospering the Company with talents”, the Group has focused on strengthening the recruitment and management of staff and standardizing the related system process of human resources management. According to the national laws and regulations, the Group has formulated the Measures for Management of Employees Recruitment and Employment of China Development Bank Financial Leasing Co., Ltd. (Trial Implementation), the Measures for Management of Employees' Holidays of China Development Bank Financial Leasing Co., Ltd., the Measures for Remuneration Management of China Development Bank Financial Leasing Co., Ltd. and other basic employment policies following the principles of “matching employees with positions, streamlining and high efficiency, recruitment on a selective basis, and fairness and objectiveness” to provide systematic regulation and management in terms of recruitment, employment, promotion, dismissal, training, code of conduct, working hours, performance assessment, benefits, diversification and anti-discrimination, anti-child labor and forced labor, etc., to protect the basic rights and interests of employees.

- ***Recruitment and employment***

In accordance with the relevant national laws and regulations and the relevant systems of the Group, the Group has developed fair, impartial and open recruitment standards for campus recruitment and social recruitment, and provided clear requirements on professional knowledge, operational capability and operational skills to ensure that employees recruited meet the job qualification requirements and have good professional conduct. We clearly specify the employment details and clarify the rights and obligations of both parties in the contract signed with employees. In 2016, the Company did not record any labor dispute.

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

- ***Working hours and holidays***

In accordance with the relevant national laws and regulations and the relevant systems of the Group, the Group implements the working system of 5 days a week and 8 hours a day for all employees. Employees enjoy annual leave, family leave, marriage leave, maternity leave, breastfeeding leave, funeral leave, leave for personal affairs, sick leave and so on.

- ***Remuneration and benefits***

In accordance with the relevant national laws and regulations and the relevant systems of the Group, the Group has set up a sound remuneration and benefits system, including but not limited to: salary, five categories of social insurance and one housing fund, summer cooling subsidy, enterprise annuity, and comprehensive medical insurance plan.

- ***Diversification and anti-discrimination***

In order to create a working environment with diversified cultures and equal opportunities, the Group undertakes to treat all employees equally, and shall not set discriminatory conditions on employment, remuneration and promotion of employees in terms of nationality, race, gender and religious belief.

Meanwhile, the Company continues to care about female employees. For example, we have improved the environment of the Company's baby care room, canteen, and staff activities room, and increased the supply of milk, yogurt and other dairy products in canteen. We organized post-natal exercises, yoga and other fitness courses for female employees to help them recover during postpartum and maintain physical and mental health.

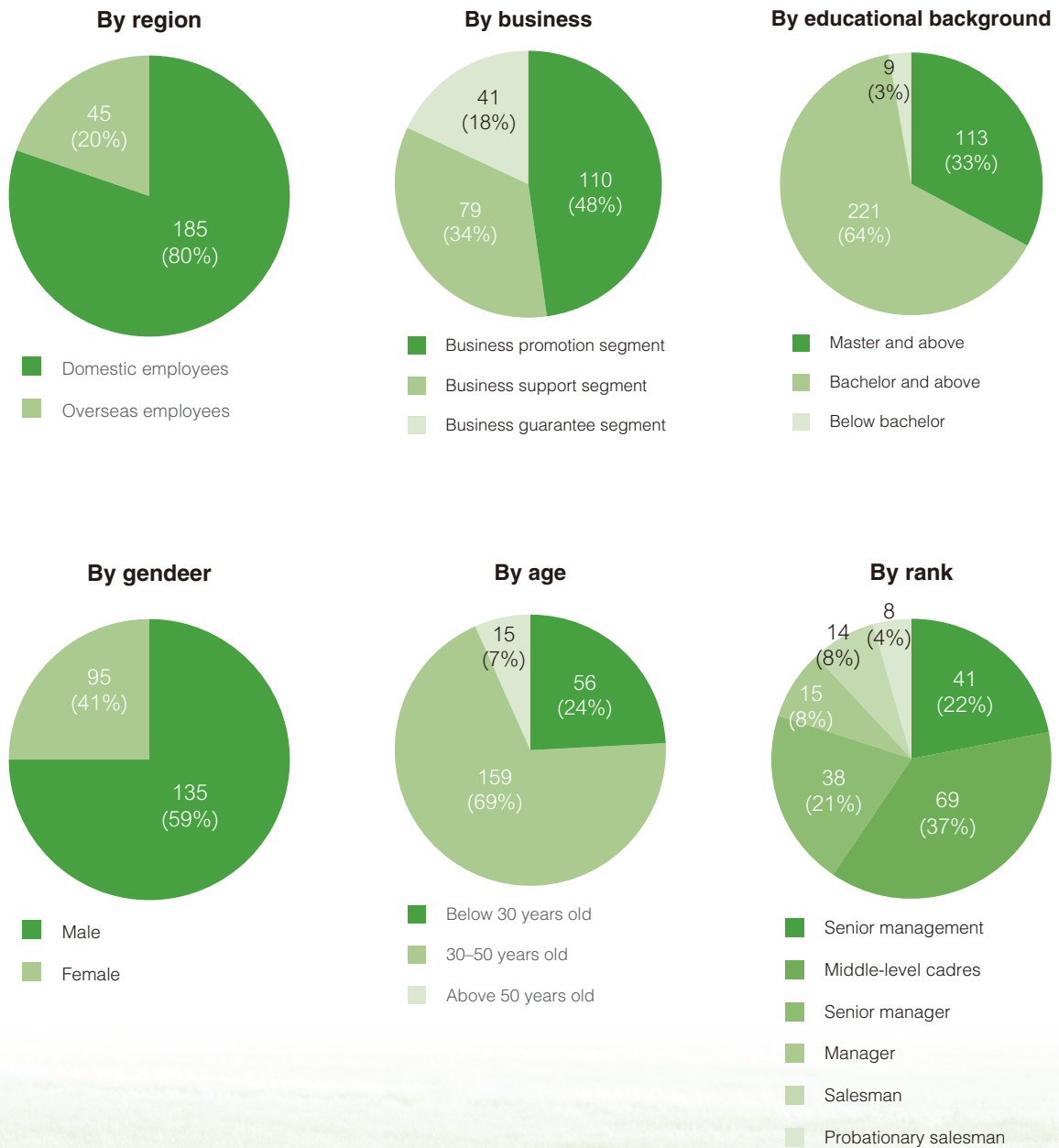
- ***Anti-child labor and forced labor***

The Group strictly abides by the Regulations on Prohibition of Use of Child Labor and other laws and regulations of the State Council and prohibits the employment of child labor or forced labor in any cases. As at the end of 2016, we did not find any cases or risks concerning the employment of child labor or forced labor.

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

9.1.2 Basic employment data

As at the end of 2016, the Group had a total of 230 employees. We are committed to creating a highly educated and highly qualified team. As at the end of 2016, about 98% of our employees have a bachelor's degree and above, and about 53% have a master's degree and above.



9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

9.2 EMPLOYEE SAFETY AND HEALTH

The Group is committed to providing employees with a safe and healthy working environment through regular inspection and maintenance of office equipment, and regular cleaning of carpet and air conditioning system to ensure a comfortable and healthy working environment. In addition, we also provide employees with regular physical examination and health insurance, health knowledge popularization and education, firefighting knowledge training and practice, holiday safety precautions and other activities.

As at the end of 2016, the Group did not receive any report on serious injuries or deaths.

9.2.1 Organize safety training and drill

In order to conscientiously implement the requirements of the China Banking Regulatory Commission on the effective strengthening of fire safety management, implement fire safety responsibility, and effectively prevent fire and reduce fire hazards, the Company conducted a fire safety training and emergency evacuation drill at the office site of Shenzhen headquarters on 16 December 2016 to further enhance all employees' awareness of fire safety precautions.



Figure 9.2-1, 2 Fire drill by employees of CDB Leasing

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

9.2.2 Build a green and healthy working environment

In order to strengthen the environmental protection awareness of employees and create an environmental friendly and healthy office environment, the Company has formulated and implemented the Measures for Management of Daily Goods Warehousing and Release of CDB Leasing Co., Ltd. (Trial Implementation), the Measures for Management of Printing of China Development Bank Financial Leasing Co., Ltd., the Measures for Management of Drivers of China Development Bank Financial Leasing Co., Ltd. and other internal policies to advocate “green office” following the principles of “allocation based on demands, conservation, old for new service, cost reduction and efficiency enhancement”.

- **Office supply management:** appoint an office supply administrator to allocate and manage office supplies, call on employees to conserve office supplies, and urge all departments to recycle public office supplies.
- **Printing paper management:** the Company's Office allocates and manages daily office and printing papers. Employees are called on to save paper and adopt double-sided printing. All the documents discarded in printing shall be collected by the Office for centralized storage and destruction.
- **Automotive fuel consumption management:** strengthen driver's awareness of environmental protection through advocacy, education and other initiatives to urge them to reduce fuel consumption and emissions.
- **Kitchen waste management:** wastes produced in the Company canteen are collected by the property management company for harmless treatment.

In 2016, our corporate operation and business activities did not cause any material impact on the environmental and natural resources.

Table 9.2-1 Energy consumption and density, emission discharge and density of CDB Leasing in 2016

Fuel oil	Electricity	Water	Carbon dioxide	Food waste
45,714.3 liter	454,000 kwh	3,400 cubic meters	397.47 ton	18,750 kg
422.62 liter/RMB100 million	4,197.10 kwh/RMB100 million	31.43 cubic meters/ RMB100 million	3.67 ton/RMB100 million	173.34 kg/RMB100 million

Note: The calculating denominations of all the above density data are the total revenue of CDB Leasing in 2016- RMB108,17 million

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

[Case] Green energy-saving building

In response to the national call for energy saving, environmental protection and building green working environment, CDB Leasing has positioned the newly-built "CDB Financial Center" located in the eastern area of north CBD, Futian District, Shenzhen as "green office architecture" since the beginning of design. The building has been awarded silver medal of Shenzhen green building design certification. The design of this green architecture holds the fundamental concepts of creating an environment-friendly, healthy and comfortable building with low energy and resource consumption. Based on energy saving of 50% and with reference to the requirements of Shenzhen green architecture evaluation standards, we adopted optimal design, suitable application technology for green building, construction control and operation management to reflect the synergy of economic efficiency, design effectiveness and environmental benefit after reviewing the balance among energy, land, water and material saving, environmental protection requirements and their function needs in the life cycle of the building.

- **Greenery:** Multi-level greenery is adopted, with the roof greenery area accounting for 28%.
- **Energy saving:** Energy-saving and environment-friendly materials and equipment are applied for public lighting, with an energy saving ratio of 50.64%.
- **Water saving:** Waste diversion drainage system is implemented and rainwater is collected for greenery irrigation, road washing, etc.
- **Material saving:** Recyclable materials used in this project account for 12.64% of all building materials used in terms of weight.
- **Noise reduction:** 6+12A+6Low-E insulating glass and aluminum alloy laminated glass are used for the exterior window, the sound insulation of which is greater than 30dB.



Figure 9.2-1 CDB Financial Center was awarded silver medal of Shenzhen green building design

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

9.3 EMPLOYEE DEVELOPMENT

Good employee development is able to improve our Company's competitiveness and boost its sustainable development. In this regard, the Group has established a sound training system by formulating the "Staff Training Management Approach of China Development Bank Financial Leasing Co., Ltd. (Trial)" to promote staff career development and drive work-life balance, thereby increasing employees' satisfaction.

According to the relevant mechanism and rules of the Group, employees of the Group have the right and obligation to receive education and training. Employees being approved to attend the training are entitled to various benefits provided during the training. Stressing the importance to the continuous improvement of the talent team's professional level, we strengthen the training system, improve the various types of business and management trainings, and effectively cover each business line and all levels of staff. In 2016, the Group organized 67 staff training sessions, with up to 1,474 employees attending related trainings.



Figure 9.3-1 Training activity for new employees of CDB Leasing



Figure 9.3-2 Third "Information Security" training of CDB Leasing Class

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

9.4 EMPLOYEE CARE

9.4.1 Building the Trade Union

In 2016, the Group completed the union re-election; held the fourth general meeting of the first trade union to conduct by-election and re-election of the head, vice head of each union group and the head of each sports and cultural club of the trade union; and clarified the operating mechanism, requirements for carrying out activities, and duties of the head of each club.

In order to further promote the building of trade union system, the Group has also formulated or revised the "Trade Union Administrative Measures of China Development Bank Financial Leasing Co., Ltd.", "Implementation Rules on Trade Union Financial Management of China Development Bank Financial Leasing Co., Ltd.", "Implementation Rules on Trade Union Activities and Club Management of China Development Bank Financial Leasing Co., Ltd.", "Implementation Rules on Trade Union Sympathy Management of China Development Bank Financial Leasing Co., Ltd." and other related policies.

9.4.2 Employee Care Activities

The Group organizes sympathy visits to employees with difficulties and veterans on their birthdays and traditional holidays, visits to employees and their families after birth, and to employees with illnesses to express sympathy. The Group made 35 employee visits in 2016.

In order to enrich the corporate cultural activities and enhance the team cohesion and staff vitality, the Group has set up 10 sports and cultural clubs including basketball, football, badminton, tennis, table tennis, swimming, fitness, outdoor sports, chess, painting and photography. Staff's leisure activities are carried out through the clubs.

In addition, due to the development needs of the Company, the number of exchange cadres increased to 14 in 2016. In order to help exchange cadres adapt to new environment and integrate into new life as soon as possible, we also helped to solve their housing problems. We enhanced their sense of belonging through visiting the cadres on holidays and holding communication activities.

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)



Figure 9.4-1 Art show



Figure 9.4-2 New Year's tea party



Figure 9.4-3 Women's Day activity



Figure 9.4-4 Handmade baking workshop



Figure 9.4-5 Badminton game



Figure 9.4-6 Healthy hiking activity

9 Safeguard Employees' Legitimate Interests, Assist Employees' Growth (Continued)

9.5 HUMAN RESOURCES SYSTEM REFORM

Taking the opportunity of listing, the Group formulated the implementation plan of human resources management reform of the Company in 2016 in line with the Company's strategic and development needs. Under the market-oriented direction, the Group has developed the employee career development system according to the Company's development needs, and has established and deepened the human resources management system which conforms to the requirement of marketization.

In particular, the Group's human resources management system reform focused on position evaluation system, performance appraisal system, incentive and restraint mechanism and talent development, and training platform with a series of reform and innovation measures. Apart from establishing a competitive remuneration and welfare system, we further strengthened the performance-oriented requirements by closely linking the business objectives and performance of the Company to the performance, salary level and career development of the employees, so as to promote the effective alignment of the value of shareholders, the Company and employees. The building of Market-oriented system is conducive to the improvement of the Company's market competitiveness by further stimulating the staff initiative and enhancing the Company's organic growth dynamic.

10 Collaborate with the Industry, Develop Community and Participate in Public Welfare and Charity Activities

We believe a company can never exist or develop in isolation. Instead, for sustainable growth, it must link its own development with that of the industry, the region, the community and the society where it operates. For this reason, CDB Leasing has been committed to boosting the leasing industry and regional development, and participating in public benefit and charity activities in support of communities.

10.1 PUSH LEASING INDUSTRY FORWARD

Over the past years of development, CDB Leasing has been actively integrating itself into the development process of leasing industry in China to promote and guide leasing industry's transformation and upgrading.

On one hand, we continued to generate leasing innovations in aviation, infrastructure, shipping, vehicle, engineering machinery, and equipment manufacturing, and gained plenty of practical experience to push the business transformation of "simple leasing – traditional finance leasing – operative leasing – innovative leasing". Through cooperation with different types of leasing companies, we accelerated capital flow within the whole industry and trained professional talents for the industry's development. In this regard, we also made efforts through industry exchanges, association communication, regulatory authorities communication and National People's Congress deputies proposals.

[Case] CDB Leasing attended the 3rd China Air Finance Development (DFTP) Summit as a strategic partner

On the first day of the 3rd China Air Finance Development (DFTP) Summit themed "Move ahead in innovation – new demand, new reform and new trend of China air finance", CDB Leasing, as a strategic partner, gave a keynote speech of "Seize opportunities and take pragmatic approaches – open a new chapter for China air leasing" and chaired the guest seminar on "Whether the current aviation market enters into an era of aircraft 'order bubble'". At the summit, we were awarded the "Structural Innovation Prize for International Finance in China Air Leasing" by virtue of the international bank consortium finance project in aviation.



Figure 10.1-1 CDB Leasing attended the 3rd China Air Finance Development (DFTP) Summit as a strategic partner

10 Collaborate with the Industry, Develop Community and Participate in Public Welfare and Charity Activities (Continued)

The summit was jointly held by the Management Committee of Dongjiang Free Trade Port Zone of Tianjin and the General Aviation Committee of China Air Transport Association. It received attention and active support from the national competent ministries and commissions and industry experts, attracting more than 650 guests from over 220 domestic and foreign airlines, leasing companies, aircraft manufacturers, financial institutions and professional intermediaries.

[Case] CDB Leasing's strategic cooperation with Central University of Finance and Economics for frontier subject researches in finance leasing

CDB Leasing and Central University of Finance and Economics entered into a strategic cooperation framework agreement to promote university-enterprise talent cultivation and industrial cooperation exchanges. The two sides will carry out comprehensive cooperation in internship and employment, cadre training, application research and mutual aid development and establish "CDB Leasing – Industry-University-Research Practice Base of Central University of Finance and Economics", "CDB Leasing – Internship and Employment Base of Central University of Finance and Economics" and "CDB Leasing Cadres Training Base of Central University of Finance and Economics". Moreover, the two parties are going to jointly launch frontier subject researches in financial leasing to promote the development of the industry.



Figure 10.1-2 CDB Leasing entered into a strategic cooperation framework agreement with Central University of Finance and Economics

10 Collaborate with the Industry, Develop Community and Participate in Public Welfare and Charity Activities (Continued)

10.2 DEVELOP REGIONAL ECONOMY

China has many important regional economies, such as the Beijing-Tianjin-Hebei, Yangtze River Economic Belt. Regional economic development features huge capital demand, long investment cycle and wide range of investment. However, drawing on its advantages in the financial leasing business, CDB Leasing is able to promote regional economic innovation and development, transformation and upgrading by cooperating on multi-level finance products and complementary services, and facilitating connection between leasing companies and local governments in support of construction of key areas, establishing a modern industrial corridor of high concentration and international competitiveness.

[Case] CDB Leasing participated in the preparation of “Alliance of Financial Leasing Companies Serving the Yangtze River Economic Belt”

On 23 November 2016, CDB Leasing attended a meeting of the National Development and Reform Commission in Beijing themed “to promote the establishment of the Alliance of Financial Leasing Companies Serving the Yangtze River Economic Belt”.



Figure 10.2-1 CDB Leasing became one of the promoters of the Alliance of Financial Leasing Companies Serving the Yangtze River Economic Belt

To implement the “Yangtze River Economic Belt Development Plan”, improve exchanges and resources sharing between the governments along the Yangtze River Economic Belt and financial leasing companies, and include these companies in the development construction projects of the Yangtze River Economic Belt, eight financial leasing companies, including CDB Leasing, decided to participate in the preparation of “the Alliance of Financial Leasing Companies Serving the Yangtze River Economic Belt”. Under the guidance of the National Development and Reform Commission, members of the alliance will negotiate cooperation on key projects of transportation hub, new urbanization in eleven provinces along the Yangtze River Economic Belt.

10 Collaborate with the Industry, Develop Community and Participate in Public Welfare and Charity Activities (Continued)

10.3 KEEN ON COMMUNITY DEVELOPMENT

As a socially responsible company, CDB Leasing is actively involved in community development and charity activities, and encourages and leads employees to participate in volunteer services, with real love to help people in need.

According to the “Authorization Program on the Board of Directors by the General Meeting of China Development Bank Financial Leasing Co., Ltd.”, and “Authorization Program on the Chairman by the Board of Directors of China Development Bank Financial Leasing Co., Ltd.”, the Company’s external public welfare donations shall be reviewed and approved by the shareholders’ general meeting, the board of directors or the chairman of the Company based on the donation amount and the chairman shall report the same to the board of directors at the end of each year.

[Case] Donation of HK\$1 million to the Community Chest

To commemorate the IPO of China Development Bank Financial Leasing Co., Ltd. on the Hong Stock Exchange, the Group donated HK\$100 million to the Community Chest upon listing, which will be used in poverty alleviation in Hong Kong. For more details, please refer to the website of the Community Chest (www.commchest.org).



Figure 10.3-1 CDB Leasing's Donation of HK\$1 million to the Community Chest

[Case] Donation of the “Loving Keyboard Room” to Huiwen School in Longgang, Shenzhen

In 2016, we donated a “Loving Keyboard Room” to Huiwen School in Longgang, Shenzhen, a school for rural migrants’ children. The room is equipped with 40 keyboards and 40 racks as well as one teacher keyboard.



Figure 10.3-2 CDB Leasing's donation of the “Loving Keyboard Room” to Huiwen School in Longgang, Shenzhen

10 Collaborate with the Industry, Develop Community and Participate in Public Welfare and Charity Activities (Continued)

[Case] Gulin Sweet Orange Adoption Program

CDB Leasing mobilized its staff to participate in the “Gulin Sweet Orange Adoption Program” (namely to adopt an orange tree to help a poor family) launched by China Development Bank. To encourage staff to join the activity, the leadership of the Company launched two large-scale adoption activities and prompted among all employees through the Yi Labao Office Area, the Company’s exhibition stand and WeChat platform.

The sweet orange adoption program is like establishing a “sweet orange loving bank” for Gulin. Participants of the public funding activity can not only cultivate their love and help plants grow, but share pleasure from the harvest and the development of villages. This “one deposit and one withdrawal” process also helps Gulin set up its long-term poverty alleviation mechanism.



Figure 10.3-3, 4 CDB Leasing employees' adoption of “loving sweet orange”

11 Policies List

ESG Indexes	Policies
A1 : Emissions	<p>Quality, Hazardous Substances, Environment and Occupational Health and Safety Management Manual</p> <p>Identification and Evaluation Procedures for Environmental Factors</p> <p>Control Procedures for Wastewater Emission and Noise Control</p> <p>Integrated Wastewater Discharge Standard GB8978-1996</p> <p>Water Pollutant Emission Limits DB44/26-2001</p> <p>Integrated Emission Standard of Air Pollutants GB16297-1996</p> <p>Air Pollutants Emission Limits DB44/27-2001</p> <p>Emission Standard for Pollutants of Gasoline Vehicles GB14761.5-9</p> <p>Environmental Monitoring and Measurement Control Procedures</p>
A2 : Use of Resources	<p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Warehouse Daily Items (trial)</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Printing Work</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Drivers</p>
A3 : The Environment and Natural Resources	<p>Law of Environmental Protection of the People's Republic of China</p> <p>Identification and Evaluation Procedures for Environmental Factors</p>

11 Policies List (Continued)

ESG Indexes	Policies
B1 : Employment	<p>Labour Law of the People's Republic of China</p> <p>General Rule of Civil Law of the People's Republic of China</p> <p>Contract Law of the People's Republic of China</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Recruit and Employment (trial)</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Employee's Vacation</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Remuneration (trial)</p>
B2 : Health and Safety	<p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Drivers</p>
B3 : Development and Training	<p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Employee's Training (trial)</p>
B4 : Labour Standards	<p>Regulations on Prohibition of the Use of Child Labour</p> <p>Responsibility of Post in Labour Union of China Development Bank Financial Leasing Co., Ltd.</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Assets of Labour Union</p> <p>Working System of Labour Union of China Development Bank Financial Leasing Co., Ltd.</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Reimbursement of Labour Union</p> <p>Interim Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Club Activities of Labour Union</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Caring Activity of Labour Union</p>

11 Policies List (Continued)

ESG Indexes	Policies
B5 : Supply Chain Management	<p>Bidding Law of the People's Republic of China</p> <p>Implementation Regulations on Bidding Law of the People's Republic of China</p> <p>Regulations on Strengthening the Management of Centralized Purchasing of State-owned Financial Enterprises</p> <p>Implementation Regulations on Centralized Purchasing of China Development Bank Financial Leasing Co., Ltd.</p>
B6 : Product Responsibility	<p>Guidelines for Leasing Business of China Development Bank Financial Leasing Co., Ltd.</p> <p>Guidelines of China Development Bank Financial Leasing Co., Ltd. for Review of Leasing Business of City Bus (trial)</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Protection of Intellectual Property Rights</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Business Secrets</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Post-leasing Check</p>
B7 : Anti-corruption	<p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Material Risk and Problem Submission (trial)</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Anti-fraud (trial)</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Anti-laundering</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Case Defense (trial)</p>
B8 : Community Investment	<p>Authorization Program on the Board of Directors by the General Meeting of China Development Bank Financial Leasing Co., Ltd. (draft)</p> <p>Authorization Program on the Chairman by the Board of Directors of China Development Bank Financial Leasing Co., Ltd.</p>

11 Policies List (Continued)

ESG Indexes	Policies
Others	<p>Basic Regulations of China Development Bank Financial Leasing Co., Ltd. on Comprehensive Risk Control (trial)</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Market Risk</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Operation Risk</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Compliance Risk</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Country Risk</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Reputation Risk</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Rules and Regulations</p> <p>Code for Internal Auditors of China Development Bank Financial Leasing Co., Ltd.</p> <p>Measures of China Development Bank Financial Leasing Co., Ltd. on the Management of Internal Auditing</p> <p>Internal Auditing Plan of China Development Bank Financial Leasing Co., Ltd.</p>

12 Statistics

	ESG Indexes	Unit	Data of 2016	Intensity Unit	Data
A.Environmental					
A1 : Emissions					
A1.2	Greenhouse gas emissions and intensity Greenhouse gas emissions caused by fossil fuel combustion and outsourcing electricity consumption	Ton	397.47	Ton/100 million	3.67
A1.4	Total non-hazardous waste produced and intensity Kitchen utensils	Kilogram	18,750	Kilogram/ 100 million	173.34
A2 : Use of Resources					
A2.1	Energy consumption and intensity Gasoline Office power consumption	Liter kwh	45,714.30 454,000.00	Liter/100 million kwh/100 million	422.62 4,197.10
A2.2	Water consumption and intensity Office water consumption	Cubic meter	3,400.00	Cubic meter/ 100 million	31.43
B.Social					
B1 : Employment					
B1.1	Total workforce by gender, employment type, age group and geographical region				
Total number		People	230		
By geographical region	Domestic	People	185	/	/
	Overseas	People	45	/	/
By business	Business promotion	People	110	/	/
	Business Support	People	79	/	/
	Business Security	People	41	/	/
By academic degree	Master and above	People	113	/	/
	Bachelor and above	People	221	/	/
	Below bachelor's degree	People	9	/	/
By age	Below 30	People	56	/	/
	30-50	People	159	/	/
	Above 50	People	15	/	/

12 Statistics (Continued)

	ESG Indexes	Unit	Data of 2016	Intensity	
				Unit	Data
By gender	Male	People	135	/	/
	Female	People	95	/	/
By post	Company executives	People	8	/	/
	Middle cadre	People	41	/	/
	Senior manager	People	69	/	/
	Manager	People	38	/	/
	Business staff	People	15	/	/
	Intern Business staff	People	14	/	/
B2 : Health and Safety					
B2.1	Number and rate of work-related fatalities	Incidence	0	/	/
B2.2	Lost days due to work injury	Day	0	/	/
B3 : Development and Training					
B3.1	The percentage of employees trained by gender and employee category	%	/	/	/
B3.2	The average training hours per employee by gender and employee category	Hour	/	/	/
	Number of organization training activities	Time	67	/	/
	Number of staff involved in training	Number of people	1,474	/	/
B6 : Product Responsibility					
B6.2	Number of products and service related complaints received and how they are dealt with				
	Number of complaints	Incidence	0	/	/
B7 : Anti-corruption					
B7.1	Number of legal cases regarding corrupt practices	Incidence	0	/	/
B8 : Community investment					
B8.2	Resources contributed to the focus area.				
	Charitable donations	RMB10 thousand	86.4	/	/

Notes: All of the data in this list are generated from 1 January to 31 December 2016

The above denominations of all the density data are denominated in the total income of CDB Leasing of RMB10.817 billion in 2016.

13 ESG Index

This Index describes the Company's compliance with the "Non-Compliance and Explanatory" indicators of the Environmental, Social and Governance Reporting Guidelines during the reporting period and the disclosure of the "Recommended Disclosure" indicator.

	ESG Index	Disclosures	Corresponding section
A1 General disclosure	Policies relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	●	9
A1.1	The type of emissions and respective emissions data.	◐	9
A1.2	Greenhouse gas emissions in total and intensity.	●	9
A1.3	Total hazardous waste produced and intensity.	N/A	N/A
A1.4	Total non-hazardous waste produced and intensity.	●	9
A1.5	Description of measures to mitigate emissions and results achieved.	●	9
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	●	9
A2 General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	●	9
A2.1	Energy consumption in total and intensity.	●	9
A2.2	Water consumption in total and intensity.	●	9
A2.3	Description of energy use efficiency initiatives and results achieved.	●	7、9
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	◐	9
A2.5	Total packaging material used for finished products and with reference to per unit produced.	N/A	N/A

13 ESG Index (Continued)

	ESG Index	Disclosures	Corresponding section
A3 General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	●	9
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	●	9
B1 General disclosure	Information on the policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare and compliance with relevant laws and regulations that have a significant impact on the issuer.	●	9
B1.1	Total workforce by gender, employment type, age group and geographical region.	●	9
B1.2	Employee turnover rate by gender, age group and geographical region.	○	N/A
B2 General disclosure	Information on the policies relating to providing a safe working environment and protecting employees from occupational hazards and compliance with relevant laws and regulations that have a significant impact on the issuer.	●	9
B2.1	Number and rate of work-related fatalities.	●	9
B2.2	Lost days due to work injury.	●	9
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	●	9
B3 General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	●	9
	Description of training activities.		
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	◐	9
B3.2	The average training hours completed per employee by gender and employee category.	◐	9

13 ESG Index (Continued)

	ESG Index	Disclosures	Corresponding section
B4 General disclosure	Information on the policies relating to preventing child and forced labour and compliance with relevant laws and regulations that have a significant impact on the issuer.	●	9
B4.1	Description of measures to review employment practices to avoid child labor and forced labor.	●	9
B4.2	Description of steps taken to eliminate such practices when discovered.	●	9
B5 General disclosure	Policies on managing environmental and social risks of the supply chain.	●	5
B5.1	Number of suppliers by geographical region.	◐	5
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	●	5
B6 General disclosure	Information on the policies relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress and compliance with relevant laws and regulations that have a significant impact on the issuer.	●	5
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	●	5
B6.3	Description of practices relating to observing and protecting intellectual property rights.	●	5
B6.4	Description of quality assurance process and recall procedures.	◐	5
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	●	5

13 ESG Index (Continued)

	ESG Index	Disclosures	Corresponding section
B7 General disclosure	Information on the policies relating to bribery, extortion, fraud and money laundering and compliance with relevant laws and regulations that have a significant impact on the issuer.	●	5
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	●	5
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	●	5
B8 General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	●	10
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	●	8、10
B8.2	Resources contributed (e.g. money or time) to the focus area.	●	10

Note : ● disclosed in the report. ● not fully disclosed. ○ not disclosed. N/A represents that the index is not applicable to the Group.

14 Opinion Feedback Form

Dear readers:

Thank you for reading this report! This is our first report on the environment, society and governance (ESG), so we sincerely hope that you will be able to evaluate this report and make your valuable comments to help us make continuous improvements to the report.

China Development Bank Leasing Co., Ltd.
2016 Annual Environmental, Social and Governance Report Feedback Form

Name _____
Employer _____
Post _____
Tel _____
E-mail _____

Your review of this report: (Please tick ✓ at the appropriate location)

	Very Good	Good	Plain	Poor	Very Bad
Do you think this report is a reflection of the Company Environmental, Social and Governance aspects of important information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think that the information disclosed in this report is clear, accurate and complete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the content of this report is well organized and stylized to make it easy to read?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which part are you most interested in of the report?

What other information you need to know is not reflected in this report?

What advice do you have for our future release of Environmental, Social and Governance reports?



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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.