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CHINA DEVELOPMENT BANK LEASING

國銀金融租賃股份有限公司*

CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 1606)

DISCLOSEABLE TRANSACTION FINANCE LEASE ASSET TRANSFER AGREEMENT

The Board hereby announces that on 20 November 2020 (after trading hours), the Company (as the Asset Transferee) entered into the Asset Transfer Agreement with the Asset Transferor, pursuant to which the Asset Transferor agreed to transfer the ownership of the Leased Assets, creditor's rights of the rent receivables and all the security interests under the Finance Lease Agreement to the Company, and the Company agreed to accept the transfer of the Leased Assets and related rights and pay the Asset Transferor the transfer consideration of RMB800,000,000.

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

ASSET TRANSFER AGREEMENT

The Board hereby announces that on 20 November 2020 (after trading hours), the Company (as the Asset Transferee) entered into the Asset Transfer Agreement with the Asset Transferor, pursuant to which the Asset Transferor agreed to transfer the ownership of the Leased Assets, creditor's rights of the rent receivables and all the security interests under the Finance Lease Agreement to the Company, and the Company agreed to accept the transfer of the Leased Assets and relevant rights and pay the Asset Transferor the transfer consideration of RMB800,000,000.

* *CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD. is (a) not an authorized institution within the meaning of the Banking Ordinance; (b) not authorized to carry on banking/deposit-taking business in Hong Kong; and (c) not subject to the supervision of the Hong Kong Monetary Authority.*

Details of the Asset Transfer Agreement are summarized as follows:

Date

20 November 2020

Parties

“Asset Transferee”: the Company

“Asset Transferor”: a state-owned enterprise located in Guangdong Province, the PRC, which is mainly engaged in the businesses of finance lease, etc.

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

Transfer Target

The Transfer Target comprises the ownership of Leased Assets, creditor’s rights of the rent receivables and all security interests under the Finance Lease Agreement. The Leased Assets are the road assets and ancillary facilities of a highway segment located in the Guangxi Zhuang Autonomous Region, the PRC. The aggregate net appraised value of the Leased Assets is approximately RMB1,475,054,560. The Asset Transferor does not separately calculate the profits before and after tax of the Transfer Target.

Lease Period

180 months

Rent Receivables and Method of Payment

Rent receivables are the rent (including value-added tax) under the Finance Lease Agreement, comprising the lease principal and lease interest. The lease principal is consistent with the transfer consideration, totalling RMB800,000,000. The lease interest is calculated based on actual days, and the calculation method is lease interest = outstanding lease principal balance × actual days of the lease period × annual lease interest rate ÷ 360. The total amount of lease interest for the lease period is approximately RMB333,754,655. The rent is calculated and paid in RMB, and divided into 30 consecutive rent payment instalments. The payment date of the first instalment of rent is 20 May 2021, and 20 May and 20 November of every subsequent year will be the respective rent payment dates. The payment of the last instalment of rent shall be settled on 20 November 2035.

The terms of the Asset Transfer Agreement (including the transfer consideration) were determined upon arm’s length negotiation between the Asset Transferee and the Asset Transferor with reference to the net appraised value of the Transfer Target, current business practice, and the financial position of the transaction counterparty.

Guarantee

Guangxi Communications Investment Group Co., Ltd. (廣西交通投資集團有限公司) provides a joint liability guarantee for the obligations of the Lessee under the Finance Lease Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSET TRANSFER AGREEMENT

The Asset Transfer Agreement is entered into by the Company during its ordinary and usual course of business. Entering into the Asset Transfer Agreement by the Company with the Asset Transferor benefits the Company by increasing the income of its finance lease business and is consistent with the Company's business development strategy.

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

INFORMATION OF THE PARTIES

Information of the Company

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

Information of the Asset Transferor

The Asset Transferor is a state-owned enterprise incorporated in the PRC on 11 April 2016 and located in Guangdong Province, the PRC, which is mainly engaged in the businesses of finance lease, etc.

LISTING RULES IMPLICATIONS

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

FURTHER INFORMATION ABOUT THE VESSEL PURCHASE AGREEMENT

Reference is made to the announcement of the Company dated 16 November 2020 in relation to the entering of the Vessel Purchase Agreement between the six wholly-owned special purpose vehicles of the Company (as the Buyers) and the Seller (the "**Announcement**"). Unless otherwise defined, terms used in this paragraph shall have the same meanings as those defined in the Announcement. The Board hereby states that ultimate beneficial owner of the Seller is Mr. Henning Oldendorff. Save as disclosed in this paragraph, all other information in the Announcement shall remain unchanged.

DEFINITIONS

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

“Asset Transfer Agreement”	the asset transfer agreement in respect of the Transfer Target entered into between the Company and the Asset Transferor on 20 November 2020
“Asset Transferor”	Shenzhen Qianhai Guijin Financial Leasing Co., Ltd. (深圳前海桂金融資租賃有限公司), whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會) (“SASAC of Guangxi Zhuang Autonomous Region”)
“Board”	the board of directors of the Company
“Company”	China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015, the H shares of which are listed on the Stock Exchange with stock code of 1606
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement in respect of the Leased Assets previously entered into between the Asset Transferor and the Lessee
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	road assets and ancillary facilities of a highway segment located in the Guangxi Zhuang Autonomous Region, the PRC
“Lessee”	Guangxi Expressway Loan Repayment Operation and Management Center (廣西高速公路還貸運營管理中心), whose ultimate beneficial owner is the SASAC of Guangxi Zhuang Autonomous Region
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transfer Target” the ownership of the Leased Assets, the creditor’s rights of the rent receivables, and all security interests under the Finance Lease Agreement

“%” per cent

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

Shenzhen, the PRC
20 November 2020

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