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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 18 January 2022 (after trading hours), the Company (as the Asset Transferor) entered into the Asset Transfer Agreement with the Asset Transferee, pursuant to which the Company agreed to transfer the ownership of the Leased Assets, creditor's rights of the rent receivables and all the security rights under the Finance Lease Contract to the Asset Transferee, and the Asset Transferee agreed to accept the assets and rights and obligations, and pay the Company the transfer consideration of RMB1,002,170,000.

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 18 January 2022 (after trading hours), the Company (as the Asset Transferor) entered into the Asset Transfer Agreement with the Asset Transferee, pursuant to which the Company agreed to transfer the ownership of the Leased Assets, creditor's rights of the rent receivables and all the security rights under the Finance Lease Contract to the Asset Transferee, and the Asset Transferee agreed to accept the assets and rights and obligations, and pay the Company the transfer consideration of RMB1,002,170,000.

* *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 summarised as follows:

Date

18 January 2022

Parties

“Asset Transferee”: a state-owned enterprise incorporated in Beijing, the PRC which is primarily engaged in the business of finance lease, etc.

“Asset Transferor”: the Company

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Asset Transferee 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 the security rights under the Finance Lease Contract. The Leased Assets comprise the transport hub operation facilities and other fixed assets located in Zhejiang Province, the PRC. The net book value of the Transfer Target as at the signing of the Asset Transfer Agreement is approximately RMB1,000,000,000 in total. The Lessee does not separately calculate the profits before and after tax of the Transfer Target.

Transfer Consideration and Method of Payment

Transfer consideration is RMB1,002,170,000 in total. Pursuant to the Asset Transfer Agreement, the transfer consideration shall be paid by the Asset Transferee to the Company in one lump sum on 19 January 2022.

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 remaining lease principal of the Transfer Target, prevailing business practices and the financial position of the transaction counterparty.

Financial Impact and Use of Proceeds

Immediately after the payment of the transfer consideration, the Company will no longer be interested in the Transfer Target. It is expected that the Company will achieve the net revenue amounting to approximately RMB2,170,000 upon completion of the transaction under the Assets Transfer Agreement, that is, the difference between the transfer consideration under the Assets Transfer Agreement and the net book value of the Transfer Target as at the signing date of such agreement. The net proceeds received from the transaction under the Asset Transfer Agreement will be used for supplementing the working capital of the Company or repaying bank debts.

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 with the Asset Transferee is beneficial for the Company to mobilize stock assets, speed up asset circulation and secure transfer gains, while the transfer consideration obtained under the Asset Transfer Agreement will provide financial support for the Company's business operations and adjustments to the asset and liability structure, which 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, inclusive finance, new energy and manufacturing of high-end equipment.

Information of the Asset Transferee

The Asset Transferee is a state-owned enterprise incorporated in Beijing, the PRC which is primarily engaged in the business 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.

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 Transferee on 18 January 2022
“Asset Transferee”	Bank of Beijing Financial Leasing Company Limited* (北銀金融租賃有限公司), its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the Beijing Municipal People’s Government (北京市人民政府國有資產監督管理委員會)
“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 Contract”	the finance lease contract in respect of the Leased Assets previously entered into between the Company (as the Lessor) and the Lessee
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	the transport hub operation facilities and other fixed assets located in Zhejiang Province, the PRC
“Lessee”	a state-owned enterprise incorporated in the PRC on 19 July 2017 and located in Zhejiang Province, the PRC, which is principally engaged in investment, financing and construction of major economic construction projects and other business
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Target”	the ownership, creditor’s rights of the rent receivables and all the security rights of the Leased Assets
“%”	per cent

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

* *for identification purposes only*

Shenzhen, the PRC
18 January 2022

As at the date of this announcement, the executive Directors of the Company are Ms. MA Hong, Mr. PENG Zhong and Mr. HUANG Min; the non-executive Directors are Mr. LI Yingbao and Mr. YANG Guifang; and the independent non-executive Directors are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.