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国银金租

CHINA DEVELOPMENT BANK LEASING

國銀金融租賃股份有限公司*

CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.*

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

(Stock Code: 1606)

DISCLOSEABLE TRANSACTION FINANCE LEASE ASSET TRANSFER AGREEMENT

The Board hereby announces that on 29 May 2023 (after trading hours), the Company (as the Asset Transferee) entered into the Asset Transfer Agreement with (i) the Asset Transferor; (ii) the Lessee; (iii) PowerChina Jiangxi; (iv) Shaanxi Tuoer; and (v) Jiangxi PowerChina, pursuant to which the Asset Transferor agreed to transfer the Leased Assets (including the ownership of the Leased Assets, creditor's rights of the rent receivables, all the security interests under the Finance Lease Agreement, and all relevant obligations of the Asset Transferor under the Finance Lease Agreement) to the Company. The Company agreed to acquire these Leased Assets and relevant rights, and to pay the transfer consideration of RMB1,149,900,000 in aggregate to the Asset Transferor, PowerChina Jiangxi, Shaanxi Tuoer and Jiangxi PowerChina.

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 29 May 2023 (after trading hours), the Company (as the Asset Transferee) entered into the Asset Transfer Agreement with (i) the Asset Transferor; (ii) the Lessee; (iii) PowerChina Jiangxi; (iv) Shaanxi Tuoer; and (v) Jiangxi PowerChina, pursuant to which the Asset Transferor agreed to transfer the Leased Assets (including the ownership of the Leased Assets, creditor's rights of the rent receivables, all the security interests under the Finance Lease Agreement, and all relevant obligations of the Asset Transferor under the Finance Lease Agreement) to the Company. The Company agreed to acquire these Leased Assets and relevant rights, and to pay the transfer consideration of RMB1,149,900,000 in aggregate to the Asset Transferor, PowerChina Jiangxi, Shaanxi Tuoer and Jiangxi PowerChina.

* *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

29 May 2023

Parties

- “Asset Transferee”: the Company
- “Asset Transferor”: a state-owned enterprise located in Beijing, the PRC, which is principally engaged in finance lease and other businesses
- “Lessee”: a state-owned enterprise located in Shanxi Province, the PRC, which is principally engaged in wind power generation project development and other businesses
- “PowerChina Jiangxi”: a state-owned enterprise located in Jiangxi Province, the PRC, which is principally engaged in power grid planning, power plant, substation engineering and other businesses
- “Shaanxi Tuoer”: a company with limited liability located in Shaanxi Province, the PRC, which is principally engaged in external contracting projects and other businesses
- “Jiangxi PowerChina”: a state-owned enterprise located in Jiangxi Province, the PRC, which is principally engaged in the sales of electrical equipment and other businesses

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, each of the Asset Transferor, the Lessee, PowerChina Jiangxi, Shaanxi Tuoer, Jiangxi PowerChina and their respective ultimate beneficial owners are independent third parties of the Company and its connected persons (as defined in the Listing Rules).

Transfer Target/Leased Assets

The Transfer Target is the Leased Assets (including the ownership of the Leased Assets, creditor’s rights of the rent receivables, all the security interests under the Finance Lease Agreement, and all relevant obligations of the Asset Transferor under the Finance Lease Agreement). The Leased Assets is a 200MW wind power generation equipment located in Shanxi Province, the PRC under the Wenxi Project. The Wenxi Project is a wind power generation project under construction in Shanxi Province, the PRC, which is being constructed by PowerChina Jiangxi, Shaanxi Tuoer and Jiangxi PowerChina, being the contractors. The appraised value of the Transfer Target is approximately RMB1,150,000,000. The Lessee does not separately account for the profit before and after taxation of the Transfer Target.

Lease Period

180 months

Transfer Consideration, Method of Payment and Rent Receivables

The total amount of the transfer consideration is RMB1,149,900,000, which will be paid on the Transfer Date, of which (i) the Company, as the Asset Transferee, will pay RMB544,900,000 to the Asset Transferor; and (ii) the Company will pay a total of RMB605,000,000 to PowerChina Jiangxi, Shaanxi Tuor and Jiangxi PowerChina.

Rent receivables are the rent with value-added taxes under the Finance Lease Agreement, which are calculated and paid in RMB, and comprised of lease principal and lease interest. Of which, the lease principal is of the same amount as the transfer consideration, totaling RMB1,149,900,000; the total amount of lease interest for the lease period is approximately RMB462,000,000.00. The lease principal and its interest shall be paid by the Lessee to the Company on a semi-annual basis in installments during the lease period.

The terms of the Asset Transfer Agreement (including the transfer consideration) were determined upon arm's length negotiation among the parties of the Asset Transfer Agreement with reference to the appraised value of the Transfer Target, prevailing business practices and the financial position of the transaction counterparty.

Guarantee

Shanxi Shiluo Comprehensive Energy Co., Ltd.* (山西石洛綜合能源有限公司) provides joint and several liability guarantees in respect of the payment obligation commitment by 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 of the Asset Transfer Agreement 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, inclusive finance, new energy and manufacturing of high-end equipment.

Information of the Asset Transferor

The Asset Transferor is a state-owned enterprise incorporated in the PRC on 30 August 2004 and located in Beijing, the PRC, which is principally engaged in finance lease and other businesses.

Information of the Lessee

The Lessee is a state-owned enterprise incorporated in the PRC on 9 January 2020 and located in Shanxi Province, the PRC, which is principally engaged in wind power generation project development and other businesses.

Information of PowerChina Jiangxi

PowerChina Jiangxi is a state-owned enterprise incorporated in the PRC on 11 October 1991 and located in Jiangxi Province, the PRC, which is principally engaged in power grid planning, power plant, substation engineering and other businesses.

Information of Shaanxi Tuor

Shaanxi Tuor is a company with limited liability incorporated on 20 January 2021 and located in Shaanxi Province, the PRC, which is principally engaged in external contracting projects and other businesses.

Information of Jiangxi PowerChina

Jiangxi PowerChina is a state-owned enterprise incorporated on 30 May 2016 and located in Jiangxi Province, the PRC, which is principally engaged in the sales of electrical equipment and other businesses.

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 Transferor, the Lessee, PowerChina Jiangxi, Shaanxi Tuoeer and Jiangxi PowerChina on 29 May 2023
“Asset Transferor”	PowerChina Leasing Co., Ltd. (中國電建集團租賃有限公司), whose ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the State Council
“Board”	the board of directors of the Company
“Company”	China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015, the H shares of which are listed on the Stock Exchange with stock code of 1606
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement entered into between the Asset Transferor and Lessee in respect of the Leased Assets on 23 October 2022
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangxi PowerChina”	Jiangxi PowerChina Materials Co., Ltd.* (江西中電建物資有限公司), whose ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the State Council
“Leased Assets”	a 200MW wind power generation equipment located in Shanxi Province, the PRC under the Wenxi Project
“Lessee”	Wenxi County Jingneng New Energy Co., Ltd.* (聞喜縣景能新能源有限公司), whose ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the State Council
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PowerChina Jiangxi”	PowerChina Jiangxi Electric Power Engineering Co., Ltd.* (中國電建集團江西省電力設計院有限公司), whose ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the State Council
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shaanxi Tuoer”	Shaanxi Tuoer Construction Engineering Co., Ltd.* (陝西托爾建設工程有限公司), whose ultimate beneficial owners are Wang Jinmei* (王金梅) and Han Wenshou* (韓文壽)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Date”	30 May 2023
“Transfer Target”	the ownership of the Leased Assets, creditor’s rights of the rent receivables and all the security interests
“Wenxi Project”	Jingneng Wenxi Clean Energy Base Phase I Project in Yuncheng City, Shanxi Province, the PRC
“%”	per cent

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

Shenzhen, the PRC
29 May 2023

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

* *for identification purpose only*