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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)

MAJOR TRANSACTION FINANCE LEASE TRANSACTION

The Board hereby announces that on 31 October 2023 (after trading hours), the Company (as the Lessor) agreed on main terms of the New Finance Lease Agreement with the Lessee, pursuant to which the Company intended to (i) purchase the Leased Assets from the Lessee at a consideration of RMB3,000,000,000, and (ii) agree to lease the Leased Assets to the Lessee with a lease period of 72 months (the “**Transaction**”).

Reference is made to the discloseable transaction announcement of the Company dated 6 March 2023 in relation to the entering into of the Previous Finance Lease Agreement (the “**Previous Transaction**”) between the Company and the Lessee in respect of the manufacturing equipment of electronic special materials located in Shandong Province, the PRC.

As the lessee of both the Transaction and the Previous Transaction is on the same side, the Transaction is required to be aggregated with the Previous Transaction pursuant to Rule 14.22 of the Listing Rules and as the maximum applicable percentage ratios of the Transaction when aggregated with the Previous Transaction are more than 25% but less than 100%, the Transaction constitutes a major transaction of the Company and is subject to the announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The Company will convene the 2023 second extraordinary general meeting to consider and, if thought fit, approve, among other things, the entering into of the Transaction and the New Finance Lease Agreement. To the best of the Directors’ knowledge, having made reasonable enquiries, no Shareholder is required to abstain from voting at the 2023 second extraordinary general meeting for the approval of entering into of the Transaction and the New Finance Lease Agreement.

The Company as the lessor will determine the execution date and enter into the New Finance Lease Agreement with the Lessee upon the approval of the Transaction by the Shareholders at the 2023 second extraordinary general meeting. A circular containing, among other things, the information required under the Listing Rules in relation to the Transaction and the New Finance Lease Agreement is expected to be despatched to the Shareholders on or before 4 December 2023. As additional time is required to prepare the information to be included in the circular, the date to despatch the circular will be over 15 business days after the publication of this announcement.

* 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.

FINANCE LEASE TRANSACTION

The Board hereby announces that on 31 October 2023 (after trading hours), the Company (as the Lessor) agreed on main terms of the New Finance Lease Agreement with the Lessee, pursuant to which the Company intended to (i) purchase the Leased Assets from the Lessee at a consideration of RMB3,000,000,000, and (ii) agree to lease the Leased Assets to the Lessee with a lease period of 72 months.

New Finance Lease Agreement

Details of the New Finance Lease Agreement are summarized as follows:

Date

The Company as the Lessor will determine the execution date and enter into the New Finance Lease Agreement with the Lessee upon the approval of the Transaction by the Shareholders at the 2023 second extraordinary general meeting.

Parties

“Lessor”: the Company

“Lessee”: Quanyi Mask Optoelectronics Technology (Jinan) Co., Ltd.# (泉意光罩光電科技(濟南)有限公司), a state-owned enterprise located in Shandong Province, the PRC, which is principally engaged in the businesses of manufacturing and sales of electronic special materials

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

Leased Assets

The Leased Assets are the manufacturing equipment of electronic special materials located in Shandong Province, the PRC, with a total appraised value of approximately RMB3,045,800,000. The Lessee does not separately calculate the profits before and after tax of the Leased Assets.

Lease Period

72 months

Rent and Method of Payment

Pursuant to the New Finance Lease Agreement, the Company agreed to lease back the Leased Assets to the Lessee. The rent, including value-added taxes, is calculated and paid in RMB and comprised of lease principal and lease interest. In particular, the lease principal is of the same amount as the transfer consideration, totalling RMB3,000,000,000. The total amount of lease interest for the lease period is approximately RMB420,000,000. The lease principal and lease interest shall be paid by the Lessee to the Lessor on a quarterly basis in installments during the lease period.

The terms of the New Finance Lease Agreement, including the transfer consideration for the Leased Assets, lease principal, lease interest and other expenses under the New Finance Lease Agreement, were determined upon arm's length negotiation between the Lessee and the Lessor with reference to the appraised value of the Leased Assets and the prevailing market prices of the same category of finance lease products in the PRC.

Leased Assets and Their Ownership

The Lessee has agreed to transfer and/or change the registration of the Leased Assets to the Lessor during the lease period at a total transfer consideration of RMB3,000,000,000. The consideration will be paid by the Lessor's self-owned funds and/or commercial loans. At the same time, the Lessor has agreed to lease back the Leased Assets to the Lessee. The Lessee is entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period, the Lessee may purchase back the Leased Assets from the Lessor at a consideration of RMB100 in nominal value.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FINANCE LEASE AGREEMENT

The New Finance Lease Agreement was entered into by the Company during its ordinary and usual course of business. Entering into the Transaction and the New Finance Lease Agreement with the Lessee 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 entering into of the Transaction and the terms under the New Finance Lease 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 fields including aircraft, shipping, regional development, inclusive finance, green energy and high-end equipment manufacturing.

Information of the Lessee

The Lessee is a state-owned enterprise incorporated in the PRC on 20 October 2020, located in Shandong Province, the PRC, and controlled by the State-owned Assets Management Committee of Jinan High-tech Industrial Development Zone# (濟南高新技術產業開發區國有資產管理委員會), which is principally engaged in the businesses of manufacturing and sales of electronic special materials.

LISTING RULES IMPLICATIONS

Reference is made to the discloseable transaction announcement of the Company dated 6 March 2023 in relation to the entering into of the Previous Finance Lease Agreement between the Company and the Lessee in respect of the manufacturing equipment of electronic special materials located in Shandong Province, the PRC.

As the lessee of both the Transaction and the Previous Transaction is on the same side, the Transaction is required to be aggregated with the Previous Transaction pursuant to Rule 14.22 of the Listing Rules and as the maximum applicable percentage ratios of the Transaction when aggregated with the Previous Transaction are more than 25% but less than 100%, the Transaction constitutes a major transaction of the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will convene the 2023 second extraordinary general meeting to consider and, if thought fit, approve, among other things, the entering into of the Transaction and the New Finance Lease Agreement. To the best of the Directors' knowledge, having made reasonable enquiries, no Shareholder is required to abstain from voting at the 2023 second extraordinary general meeting for the approval of entering into of the Transaction and the New Finance Lease Agreement.

GENERAL

A circular containing, among other things, the information required under the Listing Rules in relation to the Transaction and the New Finance Lease Agreement is expected to be despatched to the Shareholders on or before 4 December 2023. As additional time is required to prepare the information to be included in the circular, the date to despatch the circular will be over 15 business days after the publication of this announcement.

DEFINITIONS

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

“2023 second extraordinary general meeting”	the 2023 second extraordinary general meeting of the Company which is to be held, for details, please refer to the notice of relevant general meeting to be issued by the Company in due course
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	the manufacturing equipment of electronic special materials located in Shandong Province, the PRC
“Lessee”	Quanyi Mask Optoelectronics Technology (Jinan) Co., Ltd.# (泉意光罩光電科技(濟南)有限公司)
“Lessor”	the Company

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Finance Lease Agreement”	the finance lease agreement in respect of the Leased Assets proposed to be entered into between the Lessor and the Lessee upon the approval of the Transaction by the Shareholders at the 2023 second extraordinary general meeting
“PRC”	the People’s Republic of China
“Previous Finance Lease Agreement”	the finance lease agreement entered into between the Lessor and the Lessee as disclosed in the announcement of the Company dated 6 March 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Shenzhen, the PRC
31 October 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. XU Jin, Mr. LI Haijian and Mr. LIU Ming.

For identification purposes only