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# 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)**

## **DISCLOSEABLE TRANSACTION FINANCE LEASE ASSET TRANSFER AGREEMENT**

The Board hereby announces that on 28 October 2020 (after trading hours), the Company (as the Asset Transferor) entered into the New 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 interests under the Finance Lease Agreement to the Asset Transferee, and the Asset Transferee agreed to accept the transfer of such assets, rights and obligations and pay the Company the transfer consideration of RMB1,726,666,667.

Reference is made to the announcement of the Company dated 20 August 2020 in relation to the entering of the asset transfer agreement between the Company and the Asset Transferee (the "**Completed Transaction**"). According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the New Asset Transfer Agreement is higher than 5% but lower than 25% upon aggregation with the Completed Transaction, the transaction under the New Asset Transfer Agreement 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.

### **NEW ASSET TRANSFER AGREEMENT**

The Board hereby announces that on 28 October 2020 (after trading hours), the Company (as the Asset Transferor) entered into the New Asset Transfer Agreement with the Asset Transferee, pursuant to which the Company agreed to transfer the ownership of the Leased Assets, the creditor's rights under the lease, and the obligations of the Lessor to the Lessee under the Finance Lease Agreement to the Asset Transferee, and the Asset Transferee agreed to accept the transfer of such assets and pay the Company the transfer consideration of RMB1,726,666,667.

\* *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 New Asset Transfer Agreement are summarized as follows:

**Date**

28 October 2020

**Parties**

“Asset Transferee”: a company with limited liability located in Chongqing City, the PRC, which is principally engaged in the businesses of finance lease, transfer and acceptance of finance lease assets, 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 corresponding security interests under the Finance Lease Agreement. The Leased Assets are the assets of a highway located in Shanxi Province, the PRC. The net book value of the Leased Assets is approximately RMB1,726,666,667 in total. The Lessee does not separately calculate the profits before and after tax of the Transfer Target.

**Transfer Consideration and Method of Payment**

The transfer consideration is RMB1,726,666,667 in total. Pursuant to the New Asset Transfer Agreement, the transfer consideration shall be paid by the Asset Transferee within 15 working days from the date of this contract subject to the completion of all the conditions for transfer (see below).

The terms of the New 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, current business practice, and the financial position of the transaction counterparty.

**Conditions Precedent to the Payment of the Transfer Consideration by the Asset Transferee**

Performance by the Asset Transferee of the payment obligations under the New Asset Transfer Agreement is subject to the satisfaction of the following conditions:

the Asset Transferee has received the originals or photocopies with the Asset Transferor’s seal affixed thereto, of all contracts, agreements, and other documents in relation to the Transfer Target, including the Finance Lease Agreement, the pledge contract, and resolution of competent authorities issued by the Lessee agreeing to commence finance lease transactions with the Asset Transferor under the Finance Lease Agreement and the pledge contract;

either the Asset Transferee or the Asset Transferor has received from the other party the originals or photocopies of internal approval documents made by their respective competent authorities with seals affixed thereto in relation to matters such as the signing and the performance of the New Asset Transfer Agreement (including but not limited to the transfer of Leased Assets and the transfer/acceptance of guarantee rights over the accounts receivable pledge);

the New Asset Transfer Agreement has been duly signed and come into effect, and the Asset Transferee has received the original receipt signed by the Lessee, pledger and warrantors confirming and agreeing to the transfer of the Transfer Target;

the Asset Transferee has received a photocopy of the relevant payment voucher indicating that the Asset Transferor has fully paid the Lessee the transfer consideration under the Finance Lease Agreement, with the Asset Transferor's seal affixed thereto;

the Asset Transferee has received the original payment notice issued by the Asset Transferor for the payment of the transfer consideration under the New Asset Transfer Agreement as stipulated in the appendix of the New Asset Transfer Agreement;

the Asset Transferee has received the original written confirmation signed by the Asset Transferor as stipulated in the appendix of the New Asset Transfer Agreement that the Leased Assets have been transferred to the Asset Transferee, and has issued the relevant receipt to the Asset Transferor;

the Asset Transferor and the Asset Transferee have completed the procedures for registration of change for the Finance Lease Agreement and the Leased Assets with the Asset Transferee as the lessor at the Unified Chattel Financing Registration and Publicity System of the Credit Reference Center of the People's Bank of China in relation to this transfer;

the Asset Transferor and the Asset Transferee have completed the procedures for registration of change in accounts receivable pledge as a security with the Asset Transferee as the pledgee at the Unified Chattel Financing Registration and Publicity System of the Credit Reference Center of the People's Bank of China in relation to this transfer.

### **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 highest net gains that may be realised by the Company upon completion of the transactions under the New Asset Transfer Agreement is approximately RMB12,171,458. The net proceeds received from the transaction under the New 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 NEW ASSET TRANSFER AGREEMENT**

The New Asset Transfer Agreement is entered into by the Company during its ordinary and usual course of business. Entering into the New 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 New 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 New 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 Transferee**

The Asset Transferee is a company with limited liability incorporated in Chongqing City, the PRC, which is mainly engaged in the businesses of finance lease, transfer and acceptance of finance lease assets, etc.

## **LISTING RULES IMPLICATIONS**

Reference is made to the announcement of the Company dated 20 August 2020 in relation to the entering of the asset transfer agreement between the Company and the Asset Transferee. According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the New Asset Transfer Agreement is higher than 5% but lower than 25% upon aggregation with the Completed Transaction, the transaction under the New Asset Transfer Agreement 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:

“New Asset Transfer Agreement”	the new asset transfer agreement in respect of the Transfer Target entered into between the Company and the Asset Transferee on 28 October 2020
“Asset Transferee”	BOC Financial Leasing Co., Ltd. (中銀金融租賃有限公司), whose ultimate beneficial owner is 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 in respect of the Leased Assets previously entered into between the Company and the Lessee
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	fixed assets of a highway located in Shanxi Province, the PRC
“Lessee”	a state-owned enterprise incorporated in the PRC on 15 November 2017 and located in Shanxi Province, the PRC, which is principally engaged in the businesses of investment, construction, operation and management of highways and other major transportation infrastructures
“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 under the lease, and the obligations of the Lessor to the Lessee 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  
28 October 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.*