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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 FACTORING AGREEMENT**

### **FACTORING AGREEMENTS**

The Board hereby announces that on 29 October 2020 (after trading hours), the Company entered into Factoring Agreement I with the Factoring Bank and the Lessee, pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under Finance Lease Agreement I to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of approximately RMB241,104,125.21 and non-recourse factoring services.

Within the past twelve months, the Company entered into Factoring Agreement II with the Factoring Bank on 28 December 2019 (after trading hours), pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under Finance Lease Agreement II to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of approximately RMB465,992,736.18 and non-recourse factoring services. In addition, the Company entered into Factoring Agreement III with the Factoring Bank on 16 June 2020 (after trading hours), pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under Finance Lease Agreement II to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of approximately RMB365,792,318.18 and non-recourse factoring services.

\* *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.*

## **LISTING RULES IMPLICATIONS**

Since the Factoring Bank for the transaction under Factoring Agreement I is the same party as the Factoring Bank for the transactions under Factoring Agreement II and Factoring Agreement III, pursuant to Rule 14.22 of the Listing Rules, the transaction under Factoring Agreement I shall be aggregated with the transactions under Factoring Agreement II and Factoring Agreement III. As the highest applicable percentage ratios of the transaction under Factoring Agreement I when aggregated with the transactions under Factoring Agreement II and Factoring Agreement III are higher than 5% but lower than 25%, the transaction under Factoring Agreement I constitutes a discloseable transaction of the Company and is subject to the relevant announcement requirement under Chapter 14 of the Listing Rules, but is exempt from the shareholders' approval requirement.

## **FACTORING AGREEMENTS**

The Board hereby announces that on 29 October 2020 (after trading hours), the Company entered into Factoring Agreement I with the Factoring Bank and the Lessee, pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under Finance Lease Agreement I to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of approximately RMB241,104,125.21 and non-recourse factoring services.

Within the past twelve months, the Company entered into Factoring Agreement II with the Factoring Bank on 28 December 2019 (after trading hours), pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under Finance Lease Agreement II to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of approximately RMB465,992,736.18 and non-recourse factoring services. In addition, the Company entered into Factoring Agreement III with the Factoring Bank on 16 June 2020 (after trading hours), pursuant to which the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under Finance Lease Agreement II to the Factoring Bank, and the Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and to provide the Company with factoring facilities of approximately RMB365,792,318.18 and non-recourse factoring services.

The principal terms of the Factoring Agreements are summarized as follows:

**Date**

29 October 2020, 16 June 2020 and 28 December 2019

**Parties**

**Factoring Agreement I**

- (1) The Company;
- (2) The Factoring Bank; and
- (3) The Lessee

**Factoring Agreement II and Factoring Agreement III**

- (1) The Company; and
- (2) The Factoring Bank

After making all reasonable enquiries, to the best of the Directors' knowledge, information and belief, the Factoring Bank, the Lessee and their ultimate beneficial owners are all independent third parties of the Company and its connected persons.

**Factoring Facilities**

The Factoring Bank has agreed to provide factoring services for the Lease Receivables with an aggregate lease factoring principal of RMB241,104,125.21 to the Company in accordance with the terms and conditions of the Factoring Agreement I. The amount of the factoring facilities is consistent with the principal of the Lease Receivables. The sum of such factoring facilities is expected to be payable in November 2020. The net proceeds received from transactions under the Factoring Agreement I will be used to supplement the working capital of the Company or repay the bank debts.

The Factoring Bank has agreed to provide factoring services for the Lease Receivables with an aggregate lease factoring principal of RMB465,992,736.18 to the Company in accordance with the terms and conditions of the Factoring Agreement II. The amount of the factoring facilities is consistent with the principal of the Lease Receivables. The sum of such factoring facilities has been paid on 7 January 2020. The maximum net gain expected to be realized by the Company upon the completion of transactions under the Factoring Agreement II is RMB6,454,861. The net proceeds received from transactions under the Factoring Agreement II will be used to supplement the working capital of the Company or repay the bank debts.

The Factoring Bank has agreed to provide factoring services for the Lease Receivables with an aggregate lease factoring principal of RMB365,792,318.18 to the Company in accordance with the terms and conditions of the Factoring Agreement III. The amount of the factoring facilities is consistent with the principal of the Lease Receivables. The sum of such factoring facilities has been paid on 19 June 2020. The maximum net gain expected to be realized by the Company upon the completion of transactions under the Factoring Agreement III is RMB6,460,127. The net proceeds received from transactions under the Factoring Agreement III will be used to supplement the working capital of the Company or repay the bank debts.

## **Factoring Periods**

The factoring periods under the Factoring Agreement I are from the payment date of factoring facility to 28 June 2023 and from the payment date of factoring facility to 12 September 2023 respectively; the factoring periods under the Factoring Agreement II are from the payment date of factoring facility to 30 December 2020 and from the payment date of factoring facility to 30 July 2022 respectively; and the factoring period under the Factoring Agreement III is from the payment date of factoring facility to 1 June 2023.

## **Type of Factoring**

No recourse right is attached. If the Lessee under the Finance Lease Agreement I and the Finance Lease Agreement II fails to fully pay the Lease Receivables within the agreed timeframe due to credit issues, the Factoring Bank has no recourse for a claim against the Company in respect of the outstanding payment.

## **Subject of the Transactions**

Pursuant to the Factoring Agreement I, the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under the Finance Lease Agreement I to the Factoring Bank, with the total transfer principal of Lease Receivables of RMB241,104,125.21. The Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and provide lease factoring services to the Company. The Company does not separately calculate the profits before and after tax of such Lease Receivables.

Pursuant to the Factoring Agreement II, the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under the Finance Lease Agreement II to the Factoring Bank, with the total transfer principal of Lease Receivables of RMB465,992,736.18. The Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and provide lease factoring services to the Company. The Company does not separately calculate the profits before and after tax of such Lease Receivables.

Pursuant to the Factoring Agreement III, the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under the Finance Lease Agreement II to the Factoring Bank, with the total transfer principal of Lease Receivables of RMB365,792,318.18. The Factoring Bank has agreed to receive such creditor's rights and relevant rights of the Lease Receivables and provide lease factoring services to the Company. The Company does not separately calculate the profits before and after tax of such Lease Receivables.

## **Factoring Interests**

The interest rate applicable to the Factoring Agreement I is 4.75%, which is calculated by using the over 5-year loan prime rate (LPR) published on 20 May 2020 as the pricing benchmark and then adds 10 basic points (BP). The interest rate applicable to the Factoring Agreement II is 4.40%, which is calculated by using the 1-year LPR recently published from the value date as the pricing benchmark and then adds 55 BP. The interest rates applicable to the two factoring agreements under the Factoring Agreement III are 4.35% and 4.75% respectively, which are calculated by using the 1-year LPR recently published from the value dates as the pricing benchmark and then add 20 BP and 60 BP respectively.

Lease factoring interest = lease factoring balance × lease factoring interest rate × actual occupancy day/360, and the amount will be paid by the Company to the Factoring Bank upon receipt of the rent paid by the Lessee on each rent payment date.

### **Recovery of the Lease Receivables**

The Company, being the agent of the Factoring Bank, shall be responsible for procuring Lessee to make payment of the Lease Receivables on time in accordance with the stipulations in the Finance Lease Agreement I and the Finance Lease Agreement II. However, the Company will not take the credit risk of the Lessee's failure to pay the Lease Receivables on time.

### **Guarantee**

The Company will transfer all of the security interests under the Finance Lease Agreement I and Finance Lease Agreement II to the Factoring Bank.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE FACTORING AGREEMENTS**

The Factoring Agreements are entered into by the Company in the ordinary and usual course of business, and are conducive to giving full play to the advantages of all parties. The proceeds can be expected, the risk is controllable, and it is beneficial for the Company to activate its credit assets, accelerate the circulation of its assets, widen its finance channels, generate income from intermediate businesses, and enhance its development strength.

The terms of the Factoring Agreements (including factoring facilities and interests) were reached between all parties after arm's length negotiation, with reference to prevailing commercial practice and the financial position of the counterparties.

The Directors consider that the terms of the Factoring Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

### **INFORMATION ABOUT THE PARTIES**

#### **Information about 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.

#### **Information about the Factoring Bank**

The Factoring Bank is a large state-owned bank incorporated in the PRC in 2007. Its principal business is the provision of banking and related financial services.

#### **Information about the Lessee**

The Lessee is a joint stock limited company incorporated in the PRC in 1994 and located in Jiangsu Province, the PRC, which is principally engaged in the businesses of research and development and production of integrated circuits and other semiconductor products, and provision of related technical services, etc.

## LISTING RULES IMPLICATIONS

Since the Factoring Bank for the transaction under Factoring Agreement I is the same party as the Factoring Bank for the transactions under Factoring Agreement II and Factoring Agreement III, pursuant to Rule 14.22 of the Listing Rules, the transaction under Factoring Agreement I shall be aggregated with the transactions under Factoring Agreement II and Factoring Agreement III. As the highest applicable percentage ratios of the transaction under Factoring Agreement I when aggregated with the transactions under Factoring Agreement II and Factoring Agreement III are higher than 5% but lower than 25%, the transaction under Factoring Agreement I constitutes a discloseable transaction of the Company and is subject to the relevant announcement requirement under Chapter 14 of the Listing Rules, but is exempt from the shareholders' approval requirement.

## DEFINITIONS

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

“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
“Factoring Agreements”	collectively, Factoring Agreement I, Factoring Agreement II and Factoring Agreement III
“Factoring Agreement I”	the two factoring agreements entered into among the Company, the Factoring Bank and the Lessee on 29 October 2020 in respect of the transfer of creditor's rights and relevant rights of the Lease Receivables under the Finance Lease Agreement I
“Factoring Agreement II”	the two factoring agreements entered into between the Company and the Factoring Bank on 28 December 2019 in respect of the transfer of creditor's rights and relevant rights of the Lease Receivables under the Finance Lease Agreement II
“Factoring Agreement III”	the factoring agreement entered into between the Company and the Factoring Bank on 16 June 2020 in respect of the transfer of creditor's rights and relevant rights of the Lease Receivables under the Finance Lease Agreement II
“Factoring Bank”	Postal Savings Bank of China Co., Ltd., the H shares of which are listed on the Stock Exchange with stock code of 1658, and the A shares of which are listed on the Shanghai Stock Exchange with stock code of 601658



“Finance Lease Agreement I”	the finance lease agreement entered into between the Company and the Lessee in June and September 2018 respectively in respect of the production equipments related to chip packaging and testing, the total lease principal of which is RMB400,000,000.00
“Finance Lease Agreement II”	a series of finance lease agreements entered into between the Company and a number of decentralized Lessees located in various provinces, cities and autonomous regions in PRC during the period from April 2016 to April 2020 respectively in respect of engineering machinery, those Lessees are mainly engaged in the sales and maintenance of engineering machinery, construction machinery, agricultural machinery and accessories, etc.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Receivables”	the remaining lease rent under the Finance Lease Agreements
“Lessee”	the Lessee under Finance Lease Agreement I, i.e. TongFu Microelectronics Co., Ltd.* (通富微電子股份有限公司), the A shares of which are listed on the Shenzhen Stock Exchange with stock code of 002156
“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
“%”	per cent

\* For identification purpose only

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

Shenzhen, the PRC  
29 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.*