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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**

The Board hereby announces that on 11 December 2020 (after trading hours), the Company entered into Factoring Agreement 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 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 RMB823,600,000 and non-recourse factoring services.

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under Factoring Agreement is higher than 5% but lower than 25%, the transaction under Factoring Agreement 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.

\* *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.*

## **FACTORING AGREEMENT**

The Board hereby announces that on 11 December 2020 (after trading hours), the Company entered into Factoring Agreement 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 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 RMB823,600,000 and non-recourse factoring services.

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

### **Date**

11 December 2020

### **Parties**

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

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 RMB823,600,000 to the Company in accordance with the terms and conditions of the Factoring Agreement. 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 December 2020. The maximum net gain expected to be realized by the Company upon the completion of transaction under the Factoring Agreement is approximately RMB13,476,943, which will be used to supplement the working capital of the Company or repay the bank debts.

### **Factoring Period**

The factoring period under the Factoring Agreement is from the payment date of factoring facilities to 4 May 2022.

### **Type of Factoring**

No recourse right is attached. If the Lessee under the Finance Lease Agreement 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 Transaction**

Pursuant to the Factoring Agreement, the Company has agreed to transfer the creditor's rights and relevant rights of the undue Lease Receivables under the Finance Lease Agreement to the Factoring Bank, with the total transfer principal of Lease Receivables of RMB823,600,000. 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 Interest**

The interest rate applicable to the Factoring Agreement is 3.85%, which is calculated by using the over 5-year LPR published on 20 October 2020 as the pricing benchmark and then minuses 0.8%.

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 and procuring the Lessee to deposit, according to the requirements of the Factoring Bank, the Lease Receivables on time to the specific escrow bank account of the Lessee for rent payment opened with the Factoring Bank. 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 to the Factoring Bank.

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

The Factoring Agreement is entered into by the Company in the ordinary and usual course of business, and is 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 strengths.

The terms of the Factoring Agreement (including factoring facilities and interest) 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 Agreement 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 state-owned enterprise incorporated in the PRC in 2012, which is mainly engaged in investment and operation management of high grade expressway, large and extra-large independent bridges and transportation infrastructure projects, etc.

## **LISTING RULES IMPLICATIONS**

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under Factoring Agreement is higher than 5% but lower than 25%, the transaction under Factoring Agreement 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 Agreement”	the factoring agreement entered into between the Company and the Factoring Bank on 11 December 2020
“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”	the finance lease agreement entered into between the Company and the Lessee in April 2012 in respect of the assets of a highway, the total lease principal of which is RMB2,900,000,000
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Receivables”	the remaining lease rent under the Finance Lease Agreement
“Lessee”	the Lessee under Finance Lease Agreement, i.e. Henan Provincial Transportation Development Group Co., Ltd.* (河南省交通運輸發展集團有限公司), which is mainly engaged in investment and operation management of high grade expressway, large and extra-large independent bridges and transportation infrastructure projects. Its ultimate beneficial owner is People’s Government of Henan Province
“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  
11 December 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.*