

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 27 May 2021 (after trading hours), the Company (as the Asset Transferee) entered into the Asset Transfer Agreement with the Asset Transferor, pursuant to which the Asset Transferor 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 Contract to the Company, and the Company agreed to accept the Leased Assets and relevant rights and pay the Asset Transferor the transfer consideration of RMB599,800,000.

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 27 May 2021 (after trading hours), the Company (as the Asset Transferee) entered into the Asset Transfer Agreement with the Asset Transferor, pursuant to which the Asset Transferor 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 Contract to the Company, and the Company agreed to accept the Leased Assets and relevant rights and pay the Asset Transferor the transfer consideration of RMB599,800,000.

Details of the Asset Transfer Agreement are summarised as follows:

Date

27 May 2021

* 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.

Parties

“Asset Transferee”: the Company

“Asset Transferor”: a state-owned enterprise located in Guangdong Province, the PRC which is primarily engaged in the business of finance lease, etc.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Asset Transferor 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 all the security interests under the Finance Lease Contract. The Leased Assets are certain wind power equipment items located in Shandong Province, the PRC. The net book value of the Leased Assets is approximately RMB600,000,000 in total. Due to preferential tax treatment for the first three years upon grid connection, the Transfer Target recorded the equivalent profits before and after tax of for the two years ended 31 December 2019 and 2020, which was RMB-8,851.13 and RMB10,302.27 respectively.

Lease Period

115 months

Rent Receivables and Method of Payment

Pursuant to the Finance Lease Contract, the rent receivables, including value-added taxes, is comprised of lease principal and lease interest. The lease principal is of the same amount as the transfer consideration, totalling RMB599,800,000. The lease interest is calculated based on actual days, and the calculation method is: $\text{lease interest} = \text{outstanding lease principal balance} \times \text{actual days of the lease period} \times \text{annual lease interest rate} \div 360$. The total amount of lease interest for the lease period is approximately RMB143,000,000. The rent is calculated and paid in RMB, and divided into 39 consecutive rent payment instalments. The payment date of the first instalment of rent is 26 June 2021, and 26 March, 26 June, 26 September and 26 December of every subsequent year will be the respective rent payment dates, with the payment of the last instalment of rent to be settled on 26 December 2030.

The terms of the 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 net book value of the Transfer Target, current business practice, and the financial position of the transaction counterparty.

Guarantee

The Lessee will pledge the collection right of electricity fees of a certain wind power station located in Shandong Province and all the proceeds thereunder to the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSET TRANSFER AGREEMENT

The Asset Transfer Agreement was entered into by the Company during its ordinary and usual course of business. Entering into the Asset Transfer Agreement with the Asset Transferor 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 high-end equipment manufacturing.

Information of the Asset Transferor

The Asset Transferor is a state-owned enterprise incorporated in the PRC on 28 June 2016 and located in Guangdong Province, the PRC, which is principally engaged in the business of finance lease, etc.

IMPLICATIONS UNDER THE LISTING RULES

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 on 27 May 2021
“Asset Transferor”	Guangzhou Development Finance Lease Co., Ltd.* (廣州發展融資租賃有限公司), whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Municipal People’s Government of Guangzhou
“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
“Directors”	the directors of the Company
“Finance Lease Contract”	the Finance Lease Contract in respect of the Leased Assets entered into between the Asset Transferor and the Lessee previously
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Leased Assets”	certain wind power equipment located in Shandong Province, the PRC
“Lessee”	Dongming Shangyuan New Energy Co., Ltd.* (東明上元新能源有限公司), whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Municipal People’s Government of Guangzhou
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Target”	the ownership, creditor’s rights of the rent receivables and all the security interests of the Leased Assets
“%”	per cent

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

Shenzhen, the PRC
27 May 2021

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.

* *for identification purposes only*