

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 TRANSACTION AND FINANCE LEASE ASSET TRANSFER AGREEMENT

The Board hereby announces that on 18 June 2021 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreement with the Lessee, pursuant to which (i) the Lessor will purchase the Leased Assets of the Current Transaction from the Lessee by batch at a consideration of RMB1,000,000,000, and (ii) the Lessor agreed to lease the Leased Assets of the Current Transaction to the Lessee by batch with a lease period of not more than 48 months (the “**Current Transaction**”).

Within the past twelve months, the Company (as the Asset Transferee) entered into the Asset Transfer Agreement of the Previous Transaction with the Asset Transferor on 30 December 2020 (after trading hours), pursuant to which the Asset Transferor agreed to transfer the ownership of the Leased Assets of the Previous Transaction, creditor's rights of the lease payment receivables and all the security interests under the Finance Lease Agreement of the Previous Transaction to the Company by batch, and the Company agreed to accept the transfer of such Assets and relevant rights by batch and pay the Asset Transferor the transfer consideration of RMB500,000,000 by batch, with a lease period of not more than 36 months (the “**Previous Transaction**”).

As the highest applicable percentage ratio regarding the Previous Transaction is less than 5%, the Company was not required to report such transaction pursuant to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 of the Listing Rules. As the Lessee of the Current Transaction and the Asset Transferor of the Previous Transaction are the same party, and the Company purchased the Leased Assets from the same counterparty in both the Current Transaction and the Previous Transaction, according to Rule 14.22 of the Listing Rules, the Current Transaction and the Previous Transaction shall be aggregated. As the highest applicable percentage ratio of the Current Transaction upon aggregation with the Previous Transaction is higher than 5% but lower than 25%, the Current Transaction constitutes a discloseable transaction of the Company which is subject to the announcement requirement but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

* 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 AGREEMENT AND ASSET TRANSFER AGREEMENT

The Board hereby announces that on 18 June 2021 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreement with the Lessee, pursuant to which (i) the Lessor will purchase the Leased Assets of the Current Transaction from the Lessee by batch at a consideration of RMB1,000,000,000, and (ii) the Lessor agreed to lease the Leased Assets of the Current Transaction to the Lessee by batch with a lease period of not more than 48 months.

Within the past twelve months, the Company (as the Asset Transferee) entered into the Asset Transfer Agreement of the Previous Transaction with the Asset Transferor on 30 December 2020 (after trading hours), pursuant to which the Asset Transferor agreed to transfer the ownership of the Leased Assets of the Previous Transaction, creditor's rights of the lease payment receivables and all the security interests under the Finance Lease Agreement of the Previous Transaction to the Company by batch, and the Company agreed to accept the transfer of such leased assets and relevant rights by batch and pay the Asset Transferor the transfer consideration of RMB500,000,000 by batch, with a lease period of not more than 36 months.

Details of the Finance Lease Agreement and the Asset Transfer Agreement are summarised as follows:

Dates

The signing date of the Finance Lease Agreement is 18 June 2021, and the signing date of the Asset Transfer Agreement was 30 December 2020.

Parties

“Lessor” and the Company
“Asset Transferee”:

“Lessee” and a limited liability company located in Zhejiang Province, the PRC,
“Asset Transferor”: which is principally engaged in the business of finance leasing, etc.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessee (as the Asset Transferor of the Previous Transaction) 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 and Transfer Target

The Leased Assets of the Current Transaction comprise vehicle equipment located in the PRC. The net book value of the Leased Assets of the Current Transaction is not less than RMB1,000,000,000. The Lessee does not separately calculate the profits before and after tax of the Leased Assets of the Current Transaction.

The Transfer Target of the Previous Transaction included the ownership of the Leased Assets of the Previous Transaction, creditor's rights of the lease payment receivables and all the security interests under the Finance Lease Agreement of the Previous Transaction. The Leased Assets of the Previous Transaction comprised the vehicle equipment located in the PRC. The total net book value of the Leased Assets of the Previous Transaction is approximately RMB500,000,000 in total. The Lessee does not separately calculate the profits before and after tax of the Leased Assets of the Previous Transaction.

Lease Periods

The lease period of the Current Transaction is not more than 48 months and the lease period of the Previous Transaction is not more than 36 months.

Rent, Lease Payment Receivables and Method of Payment

Pursuant to the Finance Lease Agreement, the Lessor agreed to lease back the Leased Assets of the Current Transaction to the Lessee. The rent, 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 RMB1,000,000,000, which shall be paid to the Lessee by the Lessor in installments based on the batch of Leased Assets of the Current Transaction to be transferred. The lease interest shall be accrued based on actual days, and the calculation method is: $\text{lease interest} = \text{all unexpired lease principal} \times \text{actual days of the lease period} \times \text{lease interest rate} \div 360$. The total amount of lease interest for the lease period is approximately RMB121,519,288. The rent is calculated and paid in RMB, and shall be settled on a monthly basis. The payment date of the first instalment of rent is 10 July 2021, and the tenth day of every subsequent month will be the respective rent payment dates. The payment of the last instalment of rent shall be settled on the last day of the lease period of the Current Transaction.

Pursuant to the Asset Transfer Agreement, the lease payment receivables are the rent (inclusive of value-added tax) that shall be retained by the Asset Transferee under the Finance Lease Agreement transferred to the Asset Transferee of the Previous Transaction, comprising lease principal and lease interest. The lease principal is of the same amount as the transfer consideration, totalling RMB500,000,000. The interest actually retained by the Asset Transferee is calculated based on actual days, and the calculation method is: $\text{interest actually retained} = \text{outstanding lease principal balance} \times \text{actual days of the lease period} \times \text{retained interest rate} \div 360$. The total amount of the interest actually retained for the lease period is approximately RMB46,190,119.71. The rent is calculated and paid in RMB, and shall be settled on a monthly basis. The payment date of the first instalment of rent is 4 January 2021, and subsequent rent payment arrangement shall be separately executed based on the time agreed upon under the Finance Lease Agreement transferred to the Asset Transferee of the Previous Transaction, with the payment of the last instalment of rent to be settled prior to the expiry of the lease period of the Previous Transaction.

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

Leased Assets and Their Ownership

The Lessee has agreed to transfer and/or change the registration of the Leased Assets of the Current Transaction to the Lessor during the lease period of the Current Transaction at a total transfer consideration of RMB1,000,000,000. 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 of the Current Transaction to the Lessee by batch. The Lessee is entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period of the Current Transaction, the Lessee may purchase back the Leased Assets of the Current Transaction from the Lessor at a consideration of RMB1 in nominal value for each vehicle.

The Asset Transferor has agreed to transfer and/or change the registration of the Leased Assets of the Previous Transaction under the name of the Company during the lease period of the Previous Transaction at a total transfer consideration of RMB500,000,000. The consideration will be paid by the Company's self-owned funds and/or commercial loans. At the same time, the Company has agreed to continue to lease the Leased Assets under the Finance Lease Agreement transferred to the Asset Transferee to certain Lessees of the Previous Transaction. Certain Lessees of the Previous Transaction are entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period of the Previous Transaction, certain Lessees of the Previous Transaction may purchase back the Leased Assets of the Previous Transaction from the Company at a consideration of RMB100 in nominal value for each vehicle.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT AND THE ASSET TRANSFER AGREEMENT

The Finance Lease Agreement and the Asset Transfer Agreement were entered into by the Company during its ordinary and usual course of business. Entering into the Finance Lease Agreement and the Asset Transfer Agreement with the Lessee (Asset Transferor in the Previous Transaction) 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 Finance Lease Agreement and 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 manufacturing of high-end equipment.

Information of the Lessee (as the Asset Transferor in the Previous Transaction)

The Lessee (as the Asset Transferor in the Previous Transaction) is a limited liability company incorporated in the PRC on 23 May 2016, which is located in Zhejiang Province, the PRC and is principally engaged in the business of finance leasing, etc.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio regarding the Previous Transaction is less than 5%, the Company was not required to report such transaction pursuant to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 of the Listing Rules. As the Lessee of the Current Transaction and Asset Transferor of the Previous Transaction is the same party, and the Company purchased the Leased Assets from the same counterparty in both the Current Transaction and the Previous Transaction, according to Rule 14.22 of the Listing Rules, the Current Transaction and the Previous Transaction shall be aggregated. As the highest applicable percentage ratio of the Current Transaction upon aggregation with the Previous Transaction is higher than 5% but lower than 25%, the Current Transaction constitutes a discloseable transaction of the Company which 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 Leased Assets of the Previous Transaction entered into between the Company (as the Asset Transferee) and the Asset Transferor (the Lessee under the Current Transaction) on 30 December 2020
“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 of the Current Transaction entered into between the Lessor and the Lessee on 18 June 2021
“Finance Lease Agreement of the Previous Transaction”	the finance lease agreement in respect of the Leased Assets transferred to the Company (as the Asset Transferee) in the Previous Transaction
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Leased Assets”	collectively, the Leased Assets of the Previous Transaction and the Lease Assets of the Current Transaction
“Leased Assets of the Current Transaction”	the vehicle equipment located in the PRC
“Leased Assets of the Previous Transaction”	the vehicle equipment located in the PRC
“Lessee”, “Asset Transferor”	Zhejiang Dasouche Financial Leasing Co., Ltd. (浙江大搜車融資租賃有限公司), whose ultimate beneficial owner is YAO Junhong (姚軍紅)
“Lessee of the Previous Transaction”	certain natural persons within the PRC who are independent from the Company
“Lessor”, “Asset Transferee”	the Company

“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 of the Leased Assets of the Previous Transaction, creditor’s rights of the lease payment receivables and all the security interests under the Finance Lease Agreement of the Previous Transaction
“%”	per cent

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

Shenzhen, the PRC
18 June 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.