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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

The Board announces that on 9 November 2017 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreements with the Lessee, pursuant to which (i) the Lessee has agreed to transfer and/or register the Leased Assets under the name of the Lessor for a total consideration of RMB4,500 million, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the total lease principal of RMB4,500 million, the total lease interest of approximately RMB590,523,439 and the total rent (lease principal plus lease interest) of approximately RMB5,090,523,439.

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions under the Finance Lease Agreements in aggregation is over 5% but less than 25%, the transactions under the Finance Lease Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

FINANCE LEASE AGREEMENTS

The Board announces that on 9 November 2017 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreements with the Lessee, pursuant to which (i) the Lessee has agreed to transfer and/or register the Leased Assets under the name of the Lessor for a total consideration of RMB4,500 million, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the total lease principal of RMB4,500 million, the total lease interest of approximately RMB590,523,439 and the total rent (lease principal plus lease interest) of approximately RMB5,090,523,439.

* *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 Finance Lease Agreements are summarized as follows:

Date

9 November 2017

Parties

“Lessor”: the Company

“Lessee”: a state-owned enterprise located in Hubei Province, the PRC, which is principally engaged in investment in, construction and operational management of transportation infrastructure projects such as highways, rails, ports and aviation in Hubei Province

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Lessee and its ultimate beneficial owners are Independent Third Parties.

Leased Assets

Lease Assets are two road assets and ancillary facilities in Hubei Province. The net appraised value of Leased Assets amounted to RMB7,274,497,500.

Lease Period

The lease period shall be five years commencing from the date of payment of the transfer consideration to the Lessee by the Lessor.

Rent and Method of Payment

Pursuant to the Finance Lease Agreements, the Lessor agreed to lease back the Leased Assets to the Lessee. The total rent, including value-added tax, comprises lease principal and lease interest. The lease principal, which is consistent with the “transfer consideration” paid by the Lessor, amounted to RMB4,500 million in aggregate and lease interest is calculated based on actual days, of which the calculation method is: $\text{lease interest} = \text{outstanding lease principal} \times \text{lease rate} \times \text{actual days of the lease period} \div 360$. The total amount of lease interest for the lease period is approximately RMB590,523,439 in aggregate, and the total rent is approximately RMB5,090,523,439 in aggregate. The total rent is calculated and payable in RMB. The Finance Lease Agreements are divided into 20 consecutive periods. The payment date of first installment of rent is 10 February 2018, and 10 February, 10 May, 10 August and 10 November on every subsequent year will be the respective rent payment dates.

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

Leased Assets and Its Ownership

The Lessee has agreed to transfer and/or register the Leased Assets under the name of the Lessor during the lease period at a transfer consideration of RMB4,500 million in aggregate. At the same time, the Lessor has agreed to lease back such fixed assets to the Lessee. The Lessee is entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period, the Lessee may purchase back the Leased Assets from the Lessor at a consideration of RMB100 in nominal value.

Guarantee

The Lessee provides guarantee to the debt under the Finance Lease Agreements by using 100% toll right in the Leased Assets as the pledge.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENTS

The Finance Lease Agreements are entered into by the Company during its ordinary course of business. Entering into the Finance Lease Agreements with the Lessee is beneficial for the Company to increase 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 Agreements are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF PARTIES

Information of the Company

The principal business of the Company includes providing comprehensive leasing services to high-quality customers in industries including aviation, infrastructure, shipping, commercial vehicle and construction machinery.

Information of the Lessee

The Lessee is a state-owned enterprise located in Hubei Province, the PRC. It is principally engaged in investment in, construction and operational management of transportation infrastructure projects such as highways, rails, ports and aviation in Hubei Province.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions under the Finance Lease Agreements in aggregation is over 5% but less than 25%, the transactions under the Finance Lease Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“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 Agreements”	two finance lease agreements entered into between the Lessor and Lessee on 9 November 2017 with respect to two road assets and ancillary facilities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	individual(s) or company(ies) which is/are independent of and not connected with (within the meaning of the Listing Rules) any member company of the Group, the Directors, chief executives and substantial shareholders of the Company and its subsidiaries and their respective associates
“Leased Assets”	two road assets and ancillary facilities in Hubei Province, the PRC
“Lessee”	a state-owned enterprise located in Hubei Province, the PRC
“Lessor”	the Company
“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
“%”	percent

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

Shenzhen, the PRC
9 November 2017

As at the date of this announcement, the executive Directors are Mr. WANG Xuedong and Mr. HUANG Min; the non-executive Directors are Mr. GENG Tiejun, Ms. LIU Hui and Mr. LI Yingbao; and the independent non-executive Directors are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.