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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 FINANCE LEASE TRANSACTION**

The Board announces that on 31 October 2017 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreement 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 consideration of RMB4,500 million, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the lease principal of RMB4,500 million, the lease interest of approximately RMB946,637,400 and the total rent (lease principal plus lease interest) of approximately RMB5,446,637,400.

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Finance Lease Agreement is over 5% but less than 25%, the transaction under the Finance Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### **FINANCE LEASE AGREEMENT**

The Board announces that on 31 October 2017 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreement 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 consideration of RMB4,500 million, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the lease principal of RMB4,500 million, the lease interest of approximately RMB946,637,400 and the total rent (lease principal plus lease interest) of approximately RMB5,446,637,400.

\* *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 Agreement are summarized as follows:

**Date**

31 October 2017

**Parties**

“Lessor”: the Company

“Lessee”: a state-owned enterprise located in Sichuan Province, the PRC, which is principally engaged in investment in and operation of expressway and related service facilities, technical consultancy service for construction projects, etc.

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 certain road assets and ancillary facilities in Sichuan Province. The net appraised value of Leased Assets amounted to RMB5,945.0163 million.

**Lease Period**

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

**Rent and Method of Payment**

Pursuant to the Finance Lease Agreement, the Lessor agreed to lease back the Leased Assets to the Lessee. The 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 and lease interest is calculated based on actual days, of which the calculation method is: lease interest = outstanding lease principal × lease rate × actual days of the lease period ÷ 360. The total amount of lease interest for the lease period is approximately RMB946,637,400, and the total rent is approximately RMB5,446,637,400. The rent is calculated and payable in RMB. The Finance Lease Agreement is divided into 20 consecutive periods. The payment date of first installment of rent is 10 June 2018, and 10 June and 10 December on every subsequent year will be the respective rent payment dates.

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 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. 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 shareholder of the Lessee that holds 99.50% of the shares of the Lessee, agrees to provide the Lessee with irrevocable joint guarantee for the fulfillment of obligation to the Lessor under the Finance Lease Agreement.

### **Advance Repayment**

During the lease period, the Lessee may submit an application for advance repayment to the Lessor one month in advance. With written consent of the Lessor, the Lessee may pay part of or all of the lease principal in advance.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT**

The Finance Lease Agreement is entered into by the Company during its ordinary course of business. Entering into the Finance Lease Agreement 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 Agreement 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 Sichuan Province, the PRC. It is principally engaged in investment in and operation of expressway and related service facilities, technical consultancy service for construction projects, etc.

## **LISTING RULES IMPLICATIONS**

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Finance Lease Agreement is over 5% but less than 25%, the transaction under the Finance Lease Agreement constitutes a discloseable transaction of the Company and is 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 Agreement”	the finance lease agreement entered into between the Lessor and Lessee on 31 October 2017
“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”	certain road assets and ancillary facilities in Sichuan Province
“Lessee”	a state-owned enterprise located in Sichuan 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  
31 October 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.*