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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 TRANSACTIONS IN RELATION TO THE PURCHASE OF FIVE VESSELS

The Board is pleased to announce that five wholly-owned special purpose companies of the Company (as the Buyers) entered into the Shipbuilding Contracts with the Sellers on 28 December 2017, pursuant to which, (i) the Sellers agreed to construct five vessels for the Buyers; and (ii) the Sellers agreed to sell, and the Buyers agreed to purchase the Vessels at a total consideration of USD231,400,000. The Buyers intend to lease the Vessels to an Independent Third Party (as the lessee) to carry out operating lease business.

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions under the Shipbuilding Contracts is over 5% but less than 25%, the transactions under the Shipbuilding Contracts constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the shareholders' approval requirement.

1. INTRODUCTION

The Board is pleased to announce that five wholly-owned special purpose companies of the Company (as the Buyers) entered into the Shipbuilding Contracts with the Sellers on 28 December 2017, pursuant to which, (i) the Sellers agreed to construct five vessels for the Buyers; and (ii) the Sellers agreed to sell, and the Buyers agreed to purchase the Vessels at a total consideration of USD231,400,000. The Buyers intend to lease the Vessels to an Independent Third Party (as the lessee) to carry out operating lease business.

* *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.*

2. DETAILS OF THE SHIPBUILDING CONTRACTS

Date

28 December 2017

Parties

“Buyers” Five wholly-owned special purpose companies of the Company, which are incorporated in Hong Kong and are principally engaged in ship leasing business.

“Sellers” Two shipbuilding factories and one ship import and export company, collectively as the seller for each of the Shipbuilding Contracts. The two shipbuilding factories are principally engaged in the manufacture, design and repair of high performance vessels and ocean engineering equipment, manufacture of ship components and processing of steel structures; the ship import and export company is principally engaged in the import and export of ships.

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

The Vessels

The Vessels are five Newcastlemax dry bulk carriers of 208,000 metric tons deadweight.

Consideration and Source of Funding

The Buyers agreed to purchase the Vessels from the Sellers at a total consideration of USD231,400,000, which will be calculated and payable in USD, and financed by the Company’s internal funds, proceeds of bonds issue and/or loans obtained from commercial banks.

The terms of the Shipbuilding Contracts, including the purchase price of the Vessels under the Shipbuilding Contracts were determined upon arm’s length negotiation between the parties, with reference to the prevailing shipbuilding price of comparable vessels in major shipbuilding factories in the market.

Payment and Delivery Terms

The Buyers will pay the consideration of the transactions to the Sellers in four instalments according to the construction progress of the Vessels. It is expected that the first vessel will be delivered on 30 June 2020, followed by the delivery of one vessel in every subsequent two months. The fifth vessel is expected to be constructed and delivered to the Buyers before 28 February 2021.

Guarantee

The Sellers will arrange relevant bank(s) to issue refund guarantee by letter for the payment of contract price by the Buyers.

3. REASONS FOR AND BENEFITS OF THE SHIPBUILDING CONTRACTS

The Shipbuilding Contracts are entered into by the Company during its ordinary course of business. The Buyers intend to lease the Vessels to an Independent Third Party (as the lessee) to carry out operating lease business. The development of vessel operating lease business is an important measure for the Company to expand its variety of vessel businesses as well as to enhance its competitiveness in vessel business market. Therefore, entering into the Shipbuilding Contracts with the Sellers is beneficial for the Company to increase the income of its operating lease business and is consistent with the Company's business development strategy.

The Directors are of the view that the terms under the Shipbuilding Contracts are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

4. 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 Buyers

The Buyers are five wholly-owned special purpose companies of the Company, which are incorporated in Hong Kong and are principally engaged in ship leasing business.

Information of the Sellers

Two shipbuilding factories and one ship import and export company are collectively as seller for each of the Shipbuilding Contracts. The two shipbuilding factories are principally engaged in the manufacture, design and repair of high performance vessels and ocean engineering equipment, manufacture of ship components and processing of steel structures. The ship import and export company is principally engaged in the import and export of ships.

5. LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transactions under the Shipbuilding Contracts is over 5% but less than 25%, the transactions under the Shipbuilding Contracts constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the shareholders' approval requirement.

6. DEFINITIONS

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

“Board”	the board of directors of the Company
“Buyers”	CDBL Newcastlemax VI Limited, CDBL Newcastlemax VII Limited, CDBL Newcastlemax VIII Limited, CDBL Newcastlemax IX Limited and CDBL Newcastlemax X Limited, all of which are incorporated in Hong Kong and are wholly-owned special purpose companies 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
“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
“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
“Sellers”	two shipbuilding factories and one ship import and export company, all of which are Independent Third Parties, collectively as the seller for each of the Shipbuilding Contracts
“Shipbuilding Contracts”	five shipbuilding contracts entered into between the Buyers and the Sellers on 28 December 2017 with respect to the construction and purchase of the Vessels
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States of America
“Vessels”	five Newcastlemax dry bulk carriers of 208,000 metric tons deadweight
“%”	per cent

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

Shenzhen, the PRC
28 December 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.