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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 26 April 2018 (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 RMB1,000 million, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the lease principal of RMB1,000 million, the lease interest of approximately RMB239,589,600 and the total rent (lease principal plus lease interest) of approximately RMB1,239,589,600.

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 26 April 2018 (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 RMB1,000 million, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the lease principal of RMB1,000 million, the lease interest of approximately RMB239,589,600 and the total rent (lease principal plus lease interest) of approximately RMB1,239,589,600.

\* *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**

26 April 2018

**Parties**

“Lessor”: the Company

“Lessee”: a state-owned enterprise located in Shandong Province, the PRC, which is principally engaged in the construction and operation of railways.

To 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**

Leased Assets are fixed assets including part of the road foundation, bridges, caves, rail tracks and electrification engineering of a certain railway in Shandong Province, with the net appraised value of RMB1,196,716,300.

**Lease Period**

8 years

**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 RMB1,000 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 RMB239,589,600, and the total rent is approximately RMB1,239,589,600. The total rent is calculated and payable in RMB. The Finance Lease Agreement is divided into 16 consecutive periods for rent payment. The payment date of first installment of rent is 10 September 2018, and 10 March and 10 September 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 final accounting report on completion of construction, the confirmed value of invoices of the Leased Assets and the prevailing market prices of the same category of 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 consideration of RMB1,000 million. 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 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**

Another wholly-owned subsidiary of the controlling shareholder of the Lessee has agreed to provide joint liability assurance guarantee to the debt repayment from the Lessee to the Lessor under the Finance Lease Agreement.

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

The Finance Lease Agreement is entered into by the Company during its ordinary and usual 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 its shareholders 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

A state-owned enterprise located in Shandong Province, the PRC, which is principally engaged in the construction and operation of railways.

## 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 otherwise requires, 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 26 April 2018
“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”	fixed assets including part of the road foundation, bridges, caves, rail tracks and electrification engineering of a certain railway in Shandong Province
“Lessee”	a state-owned enterprise located in Shandong 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
“%”	per cent

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

Shenzhen, the PRC  
26 April 2018

*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.*