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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 25 December 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 Asset under the name of the Lessor at a consideration of RMB1,650,000,000, and (ii) the Lessor has agreed to lease back the Leased Asset to the Lessee with the lease principal of RMB1,650,000,000, the lease interest of approximately RMB775,934,651 and the total rent (lease principal plus lease interest) of approximately RMB2,425,934,651.

Pursuant to the Listing Rules, as the highest applicable percentage ratio for the transaction under the Finance Lease Agreement exceeds 5% but is less than 25%, the transaction under the Finance Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the shareholders' approval requirement.

\* *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**

The Board announces that on 25 December 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 Asset under the name of the Lessor at a consideration of RMB1,650,000,000, and (ii) the Lessor has agreed to lease back the Leased Asset to the Lessee with the lease principal of RMB1,650,000,000, the lease interest of approximately RMB775,934,651 and the total rent (lease principal plus lease interest) of approximately RMB2,425,934,651.

Details of the Finance Lease Agreement are summarized as follows:

### **Date**

25 December 2018

### **Parties**

“Lessor” : the Company

“Lessee” : an enterprise located in Yulin, Shaanxi Province, the PRC, which is principally engaged in the construction, operation, maintenance and management service of solar photovoltaic power stations, technical consultation of solar photovoltaic power station projects, sales of solar photovoltaic power-generation products, 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 Asset**

The Leased Asset is a photovoltaic power station located in Yulin, Shaanxi Province, the PRC, with the net book value of RMB2,105,624,582.16. The construction of the Leased Asset was completed in June 2017 and the profits of the Leased Asset before and after tax for the financial year ended 31 December 2017 are both RMB47,515,505.29.

### **Lease Period**

12 years

## **Rent and Method of Payment**

Pursuant to the Finance Lease Agreement, the Lessor agreed to lease back the Leased Asset 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 RMB1,650,000,000 in total and the lease interest is calculated based on actual days, of which the calculation method is: lease interest = outstanding lease principal  $\times$  lease rate  $\times$  actual days of the lease period  $\div$  360. The total amount of lease interest for the lease period is approximately RMB775,934,651, and the total rent is approximately RMB2,425,934,651. The total rent is calculated and payable in RMB with a term divided into 48 consecutive periods for rent payment. The payment date of the first installment of rent is 10 March 2019, and the 10th of every subsequent March, June, September and December will be the respective rent payment dates.

The terms of the Finance Lease Agreement, including the transfer consideration for the Leased Asset, 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 Asset and the prevailing market prices of the same category of finance lease products in the PRC.

## **Leased Asset and Its Ownership**

The Lessee has agreed to transfer and/or register the Leased Asset under the name of the Lessor during the lease period at a total consideration of RMB1,650,000,000. 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 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 Asset from the Lessor at a consideration of RMB100 in nominal value.

## **Guarantees**

Kong Sun Yongtai Investment Holdings Limited and Zkenergy Science & Technology Co., Ltd. take joint responsibility for the debts of the Lessee under the Finance Lease Agreement. The Lessee accepts the Lessor’s authorization to pledge all equipment assets under the Leased Asset to the Lessor, and also pledge the right to electricity fees for the Leased Asset and all revenue thereunder to the Lessor. The parent company of the Lessee pledges 100% equity interest it held in the Lessee to the Lessor. Kong Sun Yongtai Investment Holdings Limited provides liquidity support to 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**

An enterprise located in Yulin, Shaanxi Province, the PRC, which is principally engaged in the construction, operation, maintenance and management service of solar photovoltaic power stations, technical consultation of solar photovoltaic power station projects, sales of solar photovoltaic power-generation products, etc.

## **LISTING RULES IMPLICATIONS**

Pursuant to the Listing Rules, as the highest applicable percentage ratio for the transaction under the Finance Lease Agreement exceeds 5% but is less than 25%, the transaction under the Finance Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but exempt from the shareholders' approval requirement.

## 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” or “Lessor”	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 the Lessee on 25 December 2018 in relation to the Leased Asset
“Group”	the Company and its subsidiaries
“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 Asset”	a photovoltaic power station located in Yulin, Shaanxi Province, the PRC
“Lessee”	an enterprise located in Yulin, Shaanxi Province, the PRC
“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  
25 December 2018

*As at the date of this announcement, the executive Directors are Mr. WANG Xuedong and Mr. HUANG Min; the non-executive Director is Mr. LI Yingbao; and the independent non-executive Directors are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.*