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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 30 April 2019 (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 change the registration of the Leased Assets under the name of the Lessor at a consideration of RMB1,200,000,000, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the total lease principal of RMB1,200,000,000, the total lease interest of approximately RMB312,478,915 and the total rent (lease principal plus lease interest) of approximately RMB1,512,478,915.

According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Finance Lease Agreement is higher than 5% but lower than 25%, such transaction constitutes a discloseable transaction of the Company 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 30 April 2019 (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 change the registration of the Leased Assets under the name of the Lessor at a consideration of RMB1,200,000,000, and (ii) the Lessor has agreed to lease back the Leased Assets to the Lessee with the total lease principal of RMB1,200,000,000, the total lease interest of approximately RMB312,478,915 and the total rent (lease principal plus lease interest) of approximately RMB1,512,478,915.

Details of the Finance Lease Agreement are summarized as follows:

Date

30 April 2019

Parties

“Lessor”: the Company

“Lessee”: A state-owned enterprise located in Hubei Province, the PRC, which is principally engaged in development of parks in the development zone and the construction of infrastructure, the construction of technological innovation platform and startup incubator and other business

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Lessee and its ultimate beneficial owners are all independent third parties of the Company and its connected persons (as defined in the Listing Rules).

Leased Assets

The Leased Assets are the operating assets of equipment and facilities of a sports center located in Wuhan, Hubei Province, the PRC, with a total net book value of RMB1,200,000,000. The Lessee does not separately audit the profits before and after tax of the Leased Assets.

Lease Period

Eight 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 shall be same as the transfer consideration, i.e. RMB1,200,000,000. The lease interest is calculated based on actual days, of which the calculation method is: $\text{lease interest} = \text{outstanding lease principal balance} \times \text{actual days of the lease period} \times \text{annual lease rate} \div 360$. The total amount of lease interest for the lease period is approximately RMB312,478,915, and the total rent is approximately RMB1,512,478,915. The rent is calculated and payable in RMB with a term divided into a total of 32 consecutive rent payment periods. The payment date of the first installment of rent is 15 August 2019, and 15 February, 15 May, 15 August and 15 November of each year will be the respective rent payment dates. The payment of last installment of rent shall be settled on expiry date of the lease period.

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 book value 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 change the registration of the Leased Assets under the name of the Lessor during the lease period at a consideration of RMB1,200,000,000. 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 the Leased 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 Leased Assets from the Lessor at a consideration of RMB100 in nominal value.

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, vehicle and construction machinery.

Information of the Lessee

A state-owned enterprise located in Hubei Province, the PRC, which is principally engaged in development of parks in the development zone and the construction of infrastructure, construction of technological innovation platform and startup incubator and other business.

LISTING RULES IMPLICATIONS

According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Finance Lease Agreement is higher than 5% but lower than 25%, such transaction constitutes a discloseable transaction of the Company 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, the following expressions have the meanings set out below unless the context requires otherwise:

“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 sale and leaseback agreement in relation to the Leased Assets entered into between the Lessor and Lessee on 30 April 2019
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	operating assets of equipment and facilities of a sports center located in Wuhan, 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
“%”	per cent

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

Shenzhen, the PRC
30 April 2019

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.