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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 TRANSACTIONS

The Board hereby announces that on 16 April 2021 (after trading hours), the Company (as the Lessor) entered into a series of Finance Lease Agreements with Lessee I, pursuant to which (i) the Lessor purchased the Leased Assets from Lessee I in batches at an additional consideration of RMB1,500,000,000, and (ii) the Lessor agreed to lease the Leased Assets to Lessee I in batches with a lease period of no more than 36 months (the “**Current Transaction**”).

References are made to the major transaction announcement dated 29 April 2020, the poll results announcement and the further announcement of major transaction both dated 24 June 2020, the further announcement of major transaction dated 30 June 2020, the circular dated 3 June 2020, and the discloseable transaction announcement dated 29 January 2021 of the Company in relation to certain finance lease agreements entered into between the Company and Lessee I, Lessee II and Lessee III over the past 12 months in respect of certain vehicle equipment (collectively, the “**Disclosed Transactions**”).

As the parent company of Lessee I, Lessee II and Lessee III is the same party, according to Rule 14.22 and Rule 14.23 of the Listing Rules, the Current Transaction shall be aggregated with the Disclosed Transactions. As the highest applicable percentage ratio of the Disclosed Transactions is higher than 25% but lower than 100%, the Company has complied with the reporting, announcement and independent shareholders' approval requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio of the Current Transaction is higher than 5% but lower than 25%, and the highest applicable percentage ratio upon aggregation with the Disclosed Transactions is higher than 25% but lower than 100%, therefore, the Current Transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

* *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 AGREEMENTS

References are made to the major transaction announcement dated 29 April 2020, the poll results announcement and the further announcement of major transaction both dated 24 June 2020, the further announcement of major transaction dated 30 June 2020, the circular dated 3 June 2020, and the discloseable transaction announcement dated 29 January 2021 of the Company in relation to Disclosed Transactions.

The Board hereby announces that on 16 April 2021 (after trading hours), the Company (as the Lessor) entered into a series of Finance Lease Agreements with Lessee I, pursuant to which (i) the Lessor purchased the Leased Assets from Lessee I in batches at an additional consideration of RMB1,500,000,000, and (ii) the Lessor agreed to lease the Leased Assets to Lessee I in batches with a lease period of no more than 36 months.

Details of the Finance Lease Agreements are summarized as follows:

Date

16 April 2021

Parties

“Lessor” : the Company

“Lessee I” : a limited liability company located in Beijing, the PRC, which is principally engaged in the business of finance lease, etc.

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

Leased Assets

The Leased Assets are certain vehicle equipment located in the PRC. The aggregate net book value of the Leased Assets is approximately RMB1,500,000,000. Lessee I does not separately calculate the profits before and after tax of the Leased Assets.

Lease Period

Not more than 36 months

Rent and Method of Payment

Pursuant to the Finance Lease Agreements, the Lessor agreed to lease back the Leased Assets to Lessee I. The rent, including value-added taxes, is comprised of lease principal and lease interest. The lease principal is of the same amount as the transfer consideration, totaling RMB1,500,000,000, which shall be paid by the Lessor to Lessee I in installments in accordance with the transfer of the Leased Assets in batches. The lease interest is calculated based on actual days, and the calculation method is: $\text{lease interest} = \text{outstanding lease principal balance} \times \text{actual days of the lease period} \times \text{annual lease interest rate} \div 360$. The total amount of lease interest for the lease period is approximately RMB123,333,078. The rent is calculated and paid in RMB on a monthly basis. The payment date of the first installment of rent is 20 May 2021, and the 20th day of each subsequent month will be the respective rent payment date. The payment of the last installment of rent shall be settled at the end of lease period.

The terms of the Finance Lease Agreements, including the transfer consideration for the Leased Assets, lease principal, lease interest and other expenses under the Finance Lease Agreements were determined upon arm's length negotiation between Lessee I 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 Their Ownership

Lessee I has agreed to transfer and/or change the registration of the Leased Assets in batches to the Lessor during the lease period at a total transfer consideration of RMB1,500,000,000. 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 in batches to the Lessee I. The Lessee I is entitled to the possession, usage and benefits of such assets. Upon expiration of the lease period, the Lessee I may purchase back all batches of the Leased Assets from the Lessor at a consideration of RMB100 in nominal value.

Guarantee

The shareholders of Lessee I provide joint and several liability guarantees in proportion to their respective shareholding percentage of Lessee I for the performance of the Finance Lease Agreements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENTS

The Finance Lease Agreements were entered into by the Company during its ordinary and usual course of business. Entering into a series of Finance Lease Agreements with the Lessees benefits the Company by increasing 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 Agreements are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company

The Company is a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015. 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 Lessee I

Lessee I is a limited liability company incorporated in the PRC on 25 April 2012 and located in Beijing, the PRC, which is principally engaged in the business of finance lease, etc.

LISTING RULES IMPLICATIONS

As the parent company of Lessee I, Lessee II and Lessee III is the same party, according to Rule 14.22 and Rule 14.23 of the Listing Rules, the Current Transaction shall be aggregated with the Disclosed Transactions. As the highest applicable percentage ratio of the Disclosed Transactions is higher than 25% but lower than 100%, the Company has complied with the reporting, announcement and independent shareholders' approval requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio of the Current Transaction is higher than 5% but lower than 25%, and the highest applicable percentage ratio upon aggregation with the Disclosed Transactions is higher than 25% but lower than 100%, therefore, the Current Transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement but is exempt from the shareholders' approval requirement 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 Agreements”	the series of finance lease agreements in respect of the Leased Assets entered into by the Lessor and the Lessee I on 16 April 2021
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Leased Assets”	certain vehicle equipment located in the PRC
“Lessee I”	Beijing CA Sinfusi Financial Leasing Co., Ltd. (北京中車信融融資租賃有限公司), whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality
“Lessee II”	Anpeng Financial Leasing (Tianjin) Co., Ltd. (安鵬融資租賃(天津)有限公司), whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality
“Lessee III”	Anpeng International Financial Leasing (Shenzhen) Co., Ltd. (安鵬國際融資租賃(深圳)有限公司), whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality
“Lessor”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
16 April 2021

As at the date of this announcement, the executive directors of the Company are Mr. WANG Xuedong, Mr. PENG Zhong and Mr. HUANG Min; the non-executive directors are Mr. LI Yingbao and Mr. WANG Bangyi; and the independent non-executive directors are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.