

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



国银金租

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 hereby announces that on 9 December 2022 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreement with the Lessee, pursuant to which (i) the Lessor purchased the Leased Assets from the Lessee at a consideration of RMB1,000,000,000, and (ii) the Lessor agreed to lease the Leased Assets to the Lessee with a lease period of 60 months (the “**Current Transaction**”). As one or more of the highest applicable percentage ratios in respect of the Current Transaction exceed 5% but less than 25%, the Current Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Reference is made to the discloseable transaction announcement of the Company dated 28 July 2022, in relation to the Previous Finance Lease Agreement entered into between the Company and the Lessee (the “**Previous Transaction**”). As the Lessee of the Current Transaction and the Previous Transaction is the same party, according to Rule 14.22 of the Listing Rules, the Current Transaction and the Previous Transaction shall be aggregated. And as the highest applicable percentage ratios in respect of the Previous Transaction and the Current Transaction, when aggregated, exceed 5% but less than 25%, the Current Transaction upon aggregate constitutes a discloseable transaction of the Company under the Listing Rules 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 AGREEMENT

The Board hereby announces that on 9 December 2022 (after trading hours), the Company (as the Lessor) entered into the Finance Lease Agreement with the Lessee, pursuant to which (i) the Lessor purchased the Leased Assets from the Lessee at a consideration of RMB1,000,000,000, and (ii) the Lessor agreed to lease the Leased Assets to the Lessee with a lease period of 60 months.

Details of the Finance Lease Agreement are summarized as follows:

Date

9 December 2022

Parties

“Lessor”: the Company

“Lessee”: a state-owned enterprise located in Hebei Province, the PRC, which is principally engaged in the steel production of high-strength automobile plates and high-end home electrical appliance plates, etc.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Lessee 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 steel production equipment for automobile plates and home electrical appliance plates located in Hebei Province, the PRC. The appraised value of the Leased Assets is approximately RMB1,260,452,791. The Lessee does not separately calculate the profits before and after tax of the Leased Assets.

Lease Period

60 months

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 taxes, is calculated and paid in RMB and comprised of lease principal and lease interest. In particular, the lease principal is of the same amount as the transfer consideration, totalling RMB1,000,000,000. The total amount of lease interest for the lease period is approximately RMB185,986,514. The lease principal and lease interest shall be paid by the Lessee to the Lessor on a semi-annual basis in installments during 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 appraised 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

The Lessee has agreed to transfer and/or change the registration of the Leased Assets to the Lessor during the lease period at a total transfer consideration of RMB1,000,000,000. 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 the Leased Assets from the Lessor at a consideration of RMB100 in nominal value.

Guarantee

Hesteel Group Company Limited* (河鋼集團有限公司) provides joint liability guarantee in respect of the debt commitment by the Lessee under the Finance Lease Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT

The Finance Lease Agreement was entered into by the Company during its ordinary and usual course of business. Entering into the Finance Lease Agreement with the Lessee 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 Agreement 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, inclusive finance, new energy and manufacturing of high-end equipment.

Information of the Lessee

The Lessee is a state-owned enterprise incorporated in the PRC on 8 July 2013, located in Hebei Province, the PRC, and principally engaged in the steel production of high-strength automobile plates and high-end home electrical appliance plates, etc.

LISTING RULES IMPLICATIONS

As one or more of the highest applicable percentage ratios in respect of the Current Transaction exceed 5% but less than 25%, the Current Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Reference is also made to the discloseable transaction announcement of the Company dated 28 July 2022, in relation to the previous finance lease agreement entered into between the Company and the Lessee. As the Lessee of the Current Transaction and the Previous Transaction is the same party, according to Rule 14.22 of the Listing Rules, the Current Transaction and the Previous Transaction shall be aggregated. And as the highest applicable percentage ratios in respect of the Previous Transaction and the Current Transaction, when aggregated, exceed 5% but less than 25%, the Current Transaction upon aggregate constitutes a discloseable transaction of the Company under the Listing Rules 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 Agreement”	the finance lease agreement in respect of the Leased Assets entered into between the Lessor and the Lessee on 9 December 2022
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Assets”	steel production equipment for automobile plates and home electrical appliance plates located in Hebei Province, the PRC

“Lessee”	Tangshan Iron and Steel Group High-strength Car Plate Co., Ltd.* (唐山鋼鐵集團高強汽車板有限公司), the ultimate beneficial owner of which is the State-owned Assets Supervision and Administration Commission of Hebei People’s Government* (河北省人民政府國有資產監督管理委員會)
“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
“Previous Finance Lease Agreement”	the previous finance lease agreement entered into between the Lessor and the Lessee on 28 July 2022
“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.
LIU Yi
Joint Company Secretary

Shenzhen, the PRC
9 December 2022

As at the date of this announcement, the executive directors of the Company are Ms. MA Hong and Mr. HUANG Min; the non-executive directors are Mr. LI Yingbao and Mr. YANG Guifang; and the independent non-executive directors are Mr. ZHENG Xueding, Mr. XU Jin and Mr. ZHANG Xianchu.

* *for identification purposes only*