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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 IN RELATION TO THE PURCHASE OF FIVE VESSELS

The Board hereby announces that five wholly-owned special purpose companies of the Company (as the Buyers) entered into the Vessel Sale and Purchase Agreement with the Sellers on 3 December 2021 (after trading hours), pursuant to which, the Sellers agreed to sell and the Buyers agreed to purchase the Vessels at a consideration of not more than USD140,000,000 (equivalent to approximately RMB892,332,000).

According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Vessel Sale and Purchase Agreement is higher than 5% but lower than 25%, such 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.

VESSEL SALE AND PURCHASE AGREEMENT

The Board hereby announces that five wholly-owned special purpose companies of the Company (as the Buyers) entered into the Vessel Sale and Purchase Agreement with the Sellers on 3 December 2021 (after trading hours), pursuant to which, the Sellers agreed to sell and the Buyers agreed to purchase the Vessels.

* *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 Vessel Sale and Purchase Agreement are summarized as follows:

Date

3 December 2021

Parties

“Buyers” Five wholly-owned special purpose companies of the Company incorporated in Hong Kong, the PRC, which are principally engaged in vessel leasing business.

“Sellers” Five companies incorporated in the Marshall Islands, which are principally engaged in related business of vessel operation.

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

Vessels

The Vessels are five MR product tankers with an aggregate carrying value of approximately not more than USD140,000,000 (equivalent to approximately RMB892,332,000). The Sellers do not separately calculate the profits before and after tax of the Vessels.

Consideration, Sources of Funds and Delivery Terms

The Buyers agreed to purchase the Vessels from the Sellers at a consideration of not more than USD140,000,000 (equivalent to approximately RMB892,332,000), which will be calculated and payable in USD, using the Company’s own funds and/or commercial bank loans.

The consideration will be paid in accordance with the agreed provisions of the Vessel Sale and Purchase Agreement. The register of transfer will be completed at the date of delivery of the Vessels.

The appraised value for these five Vessels obtained from an independent third-party valuation firm were approximately USD140,000,000 (equivalent to approximately RMB892,332,000). Based on the long-term stable co-operation of both parties, and the relatively early negotiation of the consideration for these Vessels, the Seller agreed to sell the Vessels to the Buyers at a consideration of not more than USD140,000,000 (equivalent to approximately RMB892,332,000).

The terms of the Vessel Sale and Purchase Agreement (including the consideration for the transaction) are determined by the parties to the transaction after arm’s length negotiations, with reference to the net book value of the Vessels, the prevailing commercial practice and the financial position of the counterparties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE VESSEL SALE AND PURCHASE AGREEMENT

The Vessel Sale and Purchase Agreement is entered into by the Company in the ordinary and usual course of business. Entering into the Vessel Sale and Purchase Agreement with the Sellers by the Buyers is conducive to giving full play to the advantages of all parties and increasing the market share of the Company in vessel market and is in line with the Company's business development strategy.

The Directors consider that the terms of the Vessel Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Information about 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 high-end equipment manufacturing.

Information about the Buyers

The Buyers are five wholly-owned special purpose companies of the Company incorporated in Hong Kong, the PRC, which are principally engaged in vessel leasing business.

Information about the Sellers

The Sellers are five companies incorporated in the Marshall Islands, which are principally engaged in related business of vessel operation.

IMPLICATIONS UNDER THE LISTING RULES

According to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio of the transaction under the Vessel Sale and Purchase Agreement is higher than 5% but lower than 25%, such 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
“Buyers”	CL Jianhu Limited, CL Nanhu Limited, CL Oujiang Limited, CL Qiantangjiang Limited and CL Yongjiang Limited, all being wholly-owned special purpose companies of the Company incorporated in Hong Kong, the PRC

“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
“Hong Kong”	Hong Kong Special Administrative Region of 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
“RMB”	Renminbi, the lawful currency of the PRC
“Sellers”	White Flag Ventures XVIII LLC, White Flag Ventures XIII LLC, White Flag Ventures XX LLC, White Flag Ventures XXII LLC and White Flag Ventures XXIII LLC, owned by Singapore-registered Trafigura Group Pte. Ltd., the main holding company for the Trafigura group, one of the world’s largest commodity traders and shipping companies
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vessels”	Five MR product tankers
“Vessel Sale and Purchase Agreement”	the agreement in respect of the sale and purchase of the Vessels entered into between the Buyers and the Sellers on 3 December 2021
“%”	per cent

By order of the Board
CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.
LIU Yi
Joint Company Secretary

Shenzhen, the PRC
6 December 2021

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