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中關村科技租賃股份有限公司
ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1601)

DISCLOSEABLE TRANSACTION
FINANCE LEASE TRANSACTION

FINANCE LEASE AGREEMENT

The Board hereby announces that on August 9, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement III with the Lessee II, pursuant to which, (i) the Lessor shall acquire the Leased Assets III owned by the Lessee II at a transfer consideration of RMB65,500,000; and (ii) the Lessor shall lease the Leased Assets III back to the Lessee II for a term of 36 months with a total lease payment of RMB70,908,084, which shall include a finance lease principal of RMB65,500,000 and a finance lease interest income (inclusive of VAT) of RMB5,408,084.

References are made to the announcements of the Company dated December 15, 2022 and June 28, 2023 in relation to the Finance Lease Agreement I and Finance Lease Agreement II respectively, pursuant to which, among other things, the Company (as the Lessor) agree to: (i) acquire the Leased Assets I and Leased Assets II owned by the Lessee I and the Lessee II at a transfer consideration of RMB30,000,000 and RMB34,500,000 respectively; and (ii) lease the Leased Assets I and Leased Assets II back to the Lessee I and the Lessee II for terms of 24 months and 36 months with a total lease payment of RMB31,681,322 and RMB37,113,586 respectively, which included a finance lease principal of RMB30,000,000 and a finance lease interest income (inclusive of VAT) of RMB1,681,322 under Finance Lease Agreement I, and a finance lease principal of RMB34,500,000 and a finance lease interest income (inclusive of VAT) of RMB2,613,586 under Finance Lease Agreement II.

LISTING RULES IMPLICATIONS

As the Lessees are under the common control of the same ultimate beneficial owner, the Lessees are parties connected with one another (as set out under Rule 14.23 of the Listing Rules). As the transactions under the Finance Lease Agreements were entered into during the 12-month period, according to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions. As the highest applicable percentage ratio under each and upon aggregation of the Finance Lease Agreements is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement III constitutes a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

The Board hereby announces that on August 9, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement III with the Lessee II, pursuant to which, (i) the Lessor shall acquire the Leased Assets III owned by the Lessee II at a transfer consideration of RMB65,500,000; and (ii) the Lessor shall lease the Leased Assets III back to the Lessee II for a term of 36 months with a total lease payment of RMB70,908,084, which shall include a finance lease principal of RMB65,500,000 and a finance lease interest income (inclusive of VAT) of RMB5,408,084.

References are made to the announcements of the Company dated December 15, 2022 and June 28, 2023 in relation to the Finance Lease Agreement I and Finance Lease Agreement II respectively, pursuant to which, among other things, the Company (as the Lessor) agree to: (i) acquire the Leased Assets I and Leased Assets II owned by the Lessee I and the Lessee II at a transfer consideration of RMB30,000,000 and RMB34,500,000 respectively; and (ii) lease the Leased Assets I and Leased Assets II back to the Lessee I and the Lessee II for terms of 24 months and 36 months with a total lease payment of RMB31,681,322 and RMB37,113,586 respectively, which included a finance lease principal of RMB30,000,000 and a finance lease interest income (inclusive of VAT) of RMB1,681,322 under Finance Lease Agreement I, and a finance lease principal of RMB34,500,000 and a finance lease interest income (inclusive of VAT) of RMB2,613,586 under Finance Lease Agreement II.

The table below sets out the details of the Finance Lease Agreements:

Finance Lease Agreement	Date of finance lease agreement	Expiry date of finance lease agreement	Finance lease principal amount <i>RMB</i>	Finance lease interest income (inclusive of VAT) <i>RMB</i>	Security deposit <i>RMB</i>	Total lease payment <i>RMB</i>	Net book value/appraisal value of Leased Assets <i>(Approx.) RMB</i>
Finance Lease Agreement I	December 15, 2022	December 14, 2024	30,000,000	1,681,322	2,700,000	31,681,322	76,757,500.00
Finance Lease Agreement II	June 28, 2023	June 27, 2026	34,500,000	2,613,586	3,105,000	37,113,586	43,042,200.86
Finance Lease Agreement III	August 9, 2023	August 8, 2026	65,500,000	5,408,084	5,895,000	70,908,084	75,868,612.35
Total			<u>130,000,000</u>	<u>9,702,992</u>	<u>11,700,000</u>	<u>139,702,992</u>	<u>195,668,313.21</u>

THE FINANCE LEASE AGREEMENTS

The principal terms of the Finance Lease Agreements are as follows:

Parties

Lessor: the Company

Lessee I: a joint stock limited company incorporated in the PRC, which is principally engaged in research, development, manufacturing and sales of power electronic technology related products.

Lessee II: a limited liability company incorporated in the PRC, which is principally engaged in research, development, manufacturing and sales of power electronic technology related products.

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

Leased Assets

The Leased Assets I are machinery and equipment under the energy management contract project and its income right of the Lessee I, with an appraisal value of RMB76,757,500.

The Leased Assets II are photovoltaic power station equipments, with a net book value of approximately RMB43,042,200.86.

The Leased Assets III are centralized photovoltaic power station equipments, with a net book value of approximately RMB75,868,612.35.

The Lessees do not separately calculate the profits before and after tax of the Leased Assets. The transfer consideration for the acquisition of the Leased Assets under the Finance Lease Agreements will be funded by the Company's internal resources. If the Lessees have properly and fully performed all of their obligations under the Finance Lease Agreements, the Lessees are entitled to acquire the Leased Assets at the consideration of RMB100 in nominal value pursuant to the terms and conditions of the Finance Lease Agreements, upon the expiry of the Finance Lease Agreements respectively.

Lease Period

The lease period of the Finance Lease Agreement I is 24 months, which commenced on December 15, 2022.

The lease period of the Finance Lease Agreement II is 36 months, which commenced on June 28, 2023.

The lease period of the Finance Lease Agreement III is 36 months, which shall commence on August 9, 2023.

Lease Payment and Method of Payment

Under the Finance Lease Agreements, the respective total lease payment of RMB31,681,322, RMB37,113,586 and RMB70,908,084, included the finance lease principal of RMB30,000,000, RMB34,500,000 and RMB65,500,000, and the finance lease interest income (inclusive of VAT) of RMB1,681,322 (calculated based on the interest rate of 4.9% per annum), RMB2,613,586 (calculated based on the interest rate of 4.9% per annum) and RMB5,408,084 (calculated based on the interest rate of 4.9% per annum). The Lessees shall pay the lease payment to the Lessor at the end of each quarter and each month in installments in accordance with the terms and conditions of the Finance Lease Agreements during the lease period.

The terms of the Finance Lease Agreements, including the transfer consideration for the Leased Assets, finance lease principal, finance lease interest income and other expenses, were determined upon arm's length negotiation between the Lessees and the Lessor with reference to net book value/appraisal value of the Leased Assets and prevailing market prices of the same category of finance lease products in the PRC.

Security Deposit

The Lessees agreed to pay the security deposit for the Finance Lease Agreements of RMB2,700,000 (bearing nil interests), RMB3,105,000 (bearing nil interests) and RMB5,895,000 (bearing nil interests). When the last lease payments are due to be paid, the lease payment and other payables under the final payment will automatically be deducted from the deposit, and the Lessor will refund the Lessees the remaining amount respectively (if any).

Guarantee and Security

The guarantee and security arrangements for each of the Finance Lease Agreements are set out below:

- (1) the ultimate beneficial owner of the Lessees shall provide joint and several liabilities guarantee for the debts under the Finance Lease Agreements;
- (2) the Lessees shall provide pledge of income right and pledge of accounts receivable from designated project to guarantee the repayment of the debts under the Finance Lease Agreements;
- (3) Lessee I shall provide joint and several liabilities guarantee for the debts of Lessee II under the Finance Lease Agreement II and the debts of Lessee II under the Finance Lease Agreement III;
- (4) part of the Lessee II's equity interest will be pledged by its controlling shareholder to the Lessor.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENTS

The Company's principal activities are to provide finance leasing and advisory services to customers. The entering of the Finance Lease Agreements is part of the Company's ordinary and usual course of business, which is expected to provide a stable revenue and cashflow to the Company.

The Directors consider that entering into the Finance Lease Agreements will generate revenue and profit to the Company over the lease period and is consistent with the Company's business development strategy. Since the Finance Lease Agreements was entered into under normal commercial terms, 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 pioneer and a dedicated finance lease company in serving technology and new economy companies in China. As the sole finance lease platform under Zhongguancun Development Group Co., Ltd. (中關村發展集團股份有限公司), the Company offers efficient finance lease solutions and a variety of advisory services to satisfy technology and new economy companies' needs for financial services at different stages of their growth. The Company's finance lease solutions primarily take the form of direct lease and sale-and-leaseback. The Company also delivers a variety of advisory services, including policy advisory and management and business consulting, to help its customers achieve rapid growth.

Information of the Lessee

Lessee I is a joint stock limited company incorporated in the PRC, which is principally engaged in research, development, manufacturing and sales of power electronic technology related products.

Lessee II is a limited liability company incorporated in the PRC, which is principally engaged in research, development, manufacturing and sales of power electronic technology related products.

LISTING RULES IMPLICATIONS

As the Lessees are under the common control of the same ultimate beneficial owner, the Lessees are parties connected with one another (as set out under Rule 14.23 of the Listing Rules). As the transactions under the Finance Lease Agreements were entered into during the 12-month period, according to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions. As the highest applicable percentage ratio under each and upon aggregation of the Finance Lease Agreements is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement III constitutes a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of directors of the Company
“Company”	Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability, the H shares of which are listed on the Stock Exchange with stock code of 1601
“Director(s)”	the director(s) of the Company
“Finance Lease Agreements”	the Finance Lease Agreement I, the Finance Lease Agreement II and the Finance Lease Agreement III
“Finance Lease Agreement I”	the finance lease agreement entered into between the Lessor and Lessee I on December 15, 2022
“Finance Lease Agreement II”	the finance lease agreement entered into between the Lessor and Lessee II on June 28, 2023
“Finance Lease Agreement III”	the finance lease agreement entered into between the Lessor and Lessee II on August 9, 2023
“independent third party(ies)”	any individual or company not being the connected persons (as defined under the Listing Rules) of the Company, independent of the Company and its connected persons (as defined under the Listing Rules) and not connected with them
“Leased Assets”	the Leased Assets I, the Leased Assets II and the Leased Assets III
“Leased Assets I”	machinery and equipment under the energy management contract project and its income right of the Lessee I, with an appraisal value of RMB76,757,500
“Leased Assets II”	photovoltaic power station equipments, with a net book value of approximately RMB43,042,200.86.
“Leased Assets III”	centralized photovoltaic power station equipments, with a net book value of approximately RMB75,868,612.35
“Lessees”	the Lessee I and the Lessee II

“Lessee I”	Beijing Dynamic Power Co., Ltd.* (北京動力源科技股份有限公司), a joint stock limited company incorporated in the PRC, which is principally engaged in research, development, manufacturing and sales of power electronic technology related products. The ultimate beneficial owner of the Lessee I is HE Zhenya* (何振亞). The Lessee I is listed on the Shanghai Stock Exchange with stock code of 600405
“Lessee II”	Jilin Heda New Energy Development Co., Ltd.* (吉林合大新能源發展有限公司), a limited liability company incorporated in the PRC, which is principally engaged in research, development, manufacturing and sales of power electronic technology related products. The ultimate beneficial owner of the Lessee II is HE Zhenya* (何振亞)
“Lessor”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VAT”	value-added tax

By order of the Board
Zhongguancun Science-Tech Leasing Co., Ltd.
ZHANG Shuqing
Chairman

Beijing, the PRC, August 9, 2023

As at the date of this announcement, the Board comprises Mr. HE Rongfeng and Mr. HUANG Wen as executive Directors, Mr. ZHANG Shuqing, Mr. LOU Yixiang, Ms. WANG Sujuan and Mr. DU Yunchao as non-executive Directors, and Mr. CHENG Dongyue, Mr. WU Tak Lung and Ms. LIN Zhen as independent non-executive Directors.

* For identification purposes only