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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)**

**VOLUNTARY ANNOUNCEMENT  
UNFULFILLMENT OF THE CONDITIONS TO  
THE FIRST EFFECTIVE DATE OF THE GRANT AND  
ADJUSTMENT TO THE LIST OF PARTICIPANTS  
AND THE NUMBER OF SHARE APPRECIATION RIGHTS  
UNDER THE SHARE APPRECIATION RIGHTS INCENTIVE PLAN**

This announcement is made voluntarily by Zhongguancun Science-Tech Leasing Co., Ltd. (the “**Company**”). References are made to the announcement of the Company dated November 27, 2020 in relation to the proposed adoption of the Company’s share appreciation rights incentive plan and the scheme for grant under the Plan, the circular of the Company dated December 2, 2020 (the “**Circular**”) in relation to the proposed adoption of the Plan and the Grant Scheme, the announcement of the Company dated December 23, 2020 in relation to the poll results of the Extraordinary General Meeting and the announcement of the Company dated December 23, 2020 in relation to the grant of the share appreciation rights. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

**1. GRANT UNDER THE SHARE APPRECIATION RIGHTS INCENTIVE PLAN**

On December 23, 2020, the Company granted 12,670,000 units of Share Appreciation Rights, representing 0.951% of the total issued Shares of the Company, to a total of 43 Participants.

## 2. UNFULFILLMENT OF THE CONDITIONS TO THE FIRST EFFECTIVE DATE OF THE GRANT

According to “Proposed adoption of share appreciation rights incentive plan and grant scheme” in Appendix I to the Circular, effective and exercise arrangements for the Grant Scheme as follows:

### Company Performance Conditions for the Entry Into Force of the Grant Scheme

The granted Share Appreciation Rights shall not take effect unless the performance assessment of the Company reaches the set target. The performance targets of the Company are formulated in combination with the average performance level of the Company in recent three years, the actual performance level in 2019, the 75th percentile level of benchmarking enterprises and the third level of benchmarking enterprises, and comprehensively considering the macroeconomic environment, industry development status, market competition, future development plan, realization possibility and incentive effect on employees of the Company. The specific performance conditions are set as follows:

Performance Indicator	Performance conditions of effectiveness	
	Vertical comparison with the Company	Horizontal comparison with the benchmarking enterprises
ROA	The ROA in the assessment period shall not be lower than the level in 2019	The ROA in the last year, the year-on-year growth rate of net profit are not lower than the 75th percentile level of benchmarking enterprises, or the Company’s performance ranking is not lower than the top three of benchmarking enterprises
Growth rate of net profit <sup>1</sup>	Based on the net profit in 2019, the net profit in 2021, 2022 and 2023 will not be less than RMB186 million, RMB216 million and RMB250 million, respectively, which should be equivalent to the annual compound growth rate of not less than 16% during the assessment period	
Compound growth rate of total operating revenue <sup>2</sup>	Based on the total operating revenue in 2019, the compound annual growth rate during the assessment period shall not be less than 15%	–
Non performing asset ratio	The Company’s performance assessment meets the requirements in the current year	–
Cash dividends	Not less than 35% of the profit available for distribution in the current year	

1 Net profit attributable to shareholders of parent company after deducting non-recurring profit and loss.

2 Considering the Company’s steady development policy and the availability of equity incentive, the growth rate of total operating revenue is mainly based on its own vertical comparison.

## Effective and Exercise Arrangements for the Grant Scheme

The exercise restriction period of the Plan is 2 years from the grant date of the Share Appreciation Rights, and the Participants shall not exercise during the exercise restriction period. After the end of the exercise restriction period, the Share Appreciation Rights will come into effect in three batches with the effective ratio of 1/3, 1/3 and 1/3 respectively. The actual effective proportion of each batch will be determined according to the Company's performance assessment results and the individual performance assessment results of the Participants. The details of effective arrangement are as follows:

<b>Effective arrangement</b>	<b>Effective Date</b>	<b>Effective Ratio</b>
The first effective date	The first trading day after the expiration of 24 months from the grant date	1/3
The second effective date	The first trading day after the expiration of 36 months from the grant date	1/3
The third effective date	The first trading day after the expiration of 48 months from the grant date	1/3

The exercise period of the Plan is 3 years from the first effective date. If the exercise period is exceeded, the Share Appreciation Rights will automatically become invalid and cannot be exercised.

During the exercise period, the Company sets up around 1 to 2 exercise windows each year for the Participants to submit the exercise application. The Participants can exercise the Share Appreciation Rights that have already taken effect. The Company cashes the difference between the average trading price of the Company's H shares and the exercise price on the same day to the Participants. 20% of the cash income from the exercise of the Participants who are the Company's Directors and senior managers can only be cashed after the Participants pass the assessment at the expiration of their term of office.

The Share Appreciation Rights initially granted by the Company on December 23, 2020 entered into the first effective date on December 28, 2022. According to the financial statements of the Company audited by KPMG, the international auditor of the Company, the compound annual growth rate of the Company's revenue during the assessment period was 12.98%, which is lower than 15%. Moreover, the Company's ROA, growth rate of net profit, and performance ranking for 2022 did not meet the criteria for horizontal comparison with the benchmarking enterprises. Thus, the conditions to effect the share appreciation rights in the first effective date of the Grant were not fulfilled.

### 3. NULLIFICATION OF 1/3 OF THE SHARE APPRECIATION RIGHTS UNDER THE GRANT

The EGM has authorised the Board to be responsible for the specific organization, implementation, interpretation, management and revision of the Plan.

According to the authorisation granted to the Board under the EGM, the Company held a meeting of the Board on August 18, 2023, and approved the “Proposal in Relation to Unfulfillment of the Conditions to the First Effective Date of the Grant and Adjustment to the List of Participants and the Number of Share Appreciation Rights Under the Share Appreciation Rights Incentive Plan”. The Board approved that a total of 3.7967 million shares share appreciation rights (representing 1/3 of the Share Appreciation Rights under the Grant) of Share Appreciation Rights in the first effective date of the Grant shall be nullified. This nullification will not affect the remaining number of Share Appreciation Rights of 7.26 million shares of to be effective upon the second effective date and the third effective date under the Grant.

### 4. ADJUSTMENT TO THE PARTICIPANTS AND THE NUMBER OF SHARE APPRECIATION RIGHTS UNDER THE GRANT

In view of a total of 7 Participants of the Company came across matters such as resignation, etc., according to the relevant provisions of the Share Appreciation Rights Incentive Plan, as the above Participants have not met the qualifications, the Company proposes to cancel a total of 1.6133 million shares share appreciation rights that have been granted to but not yet been exercised by the above-mentioned personnel. After this adjustment, the Participants of the Company were adjusted from 43 to 36, and the number of share appreciation rights which have been granted but not yet been exercised were adjusted from 8.8733 million shares to 7.26 million shares.

Name	Title	Number of Appreciation Rights Cancelled due to Number of Appreciation Rights Granted (10 thousand shares)	Number of Appreciation Rights Cancelled due to substandard performance of the Company (10 thousand shares)	Number of Appreciation Rights Cancelled due to reasons such as resignation (10 thousand shares)	Adjusted Participants	Number of Appreciation Rights Granted and not yet exercised under the Grant (10 thousand shares)
<b>1. Directors and senior management</b>						
DUAN Hongwei	Former Chairman	67	0.00	67	resignation	0.00
HE Rongfeng	Executive director, and general manager	67	22.33	0		44.67
HUANG Wen	Executive director, deputy general manage, board secretary and head of finance team	53	17.67	0		35.33
DOU Jiyan	Deputy general manager	53	17.67	0		35.33

Name	Title	Number of Appreciation Rights Granted (10 thousand shares)	Number of Appreciation Rights Cancelled due to performance of the Company (10 thousand shares)	Number of Appreciation Rights Cancelled due to reasons such as resignation (10 thousand shares)	Adjusted Participants	Number of Appreciation Rights Granted and not yet exercised under the Grant (10 thousand shares)
YANG Pengyan	Deputy general manager	53	17.67	0		35.33
LIU Shouquan	General manager assistant	53	17.67	0		35.33
LIANG Jingji	General manager assistant and head of risk management team	53	17.67	0		35.33
GAO Wei	Company secretary	53	17.67	0		35.33
Sub-total		<u>8</u>	<u>452</u>	<u>67</u>	<u>7</u>	<u>256.67</u>
<b>2. Other personnel</b>						
Sub-total		<u>35</u>	<u>815</u>	<u>94.33</u>	<u>29</u>	<u>469.33</u>
<b>Total</b>		<u><u>43</u></u>	<u><u>1,267</u></u>	<u><u>379.67</u></u>	<u><u>36</u></u>	<u><u>726</u></u>

## 5. THE IMPACT OF CANCELLATION OF PART OF THE SHARE APPRECIATION RIGHTS ON THE COMPANY

The current cancellation of the Company of part of the Share Appreciation Rights under the Grant will not have a material impact on the financial status and operating results of the Company, nor will it affect the implementation of the Company's Share Appreciation Rights Scheme and the diligence of the Company's management team. The management team of the Company will continue to work diligently and strive to create value for Shareholders.

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

Beijing, the PRC, August 18, 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.*