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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 September 27, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement IV with the Lessee III, pursuant to which, (i) the Lessor shall acquire the Leased Assets IV owned by the Lessee III at a transfer consideration of RMB20,000,000; and (ii) the Lessor shall lease the Leased Assets IV back to the Lessee III for a term of 60 months with a total lease payment of RMB22,888,483, which shall include a finance lease principal of RMB20,000,000 and a finance lease interest income (inclusive of VAT) of RMB2,888,483.

Reference is made to the announcement dated January 12, 2023 and February 9, 2023 in relation to the Finance Lease Agreement I and Finance Lease Agreement II, pursuant to which, among other things, the Company (as the Lessor) agreed to: (i) acquire the Leased Assets I and Leased Assets II owned by the Lessee I at a respective transfer consideration of RMB38,000,000 and RMB11,000,000; and (ii) lease the Leased Assets I and Leased Assets II back to the Lessee I for a term of 48 months with a respective total lease payment of RMB42,532,131 and RMB12,311,815, which shall include a respective finance lease principal of RMB38,000,000 and RMB11,000,000, and a respective finance lease interest income (inclusive of VAT) of RMB4,532,131 and RMB1,311,815.

Reference is made to the announcement dated June 29, 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 RMB24,000,000; and (ii) the Lessor shall lease the Leased Assets III back to the Lessee II for a term of 48 months with a total lease payment of RMB26,744,986, which shall include a finance lease principal of RMB24,000,000 and a finance lease interest income (inclusive of VAT) of RMB2,744,986.

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 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 of the Agreements is less than 5%, while the highest applicable percentage ratio upon aggregation of the Agreements is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement IV 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 September 27, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement IV with the Lessee III, pursuant to which, (i) the Lessor shall acquire the Leased Assets IV owned by the Lessee III at a transfer consideration of RMB20,000,000; and (ii) the Lessor shall lease the Leased Assets IV back to the Lessee III for a term of 60 months with a total lease payment of RMB22,888,483, which shall include a finance lease principal of RMB20,000,000 and a finance lease interest income (inclusive of VAT) of RMB2,888,483.

Reference is made to the announcement dated January 12, 2023 and February 9, 2023 in relation to the Finance Lease Agreement I and Finance Lease Agreement II, pursuant to which, among other things, the Company (as the Lessor) agreed to: (i) acquire the Leased Assets I and Leased Assets II owned by the Lessee I at a respective transfer consideration of RMB38,000,000 and RMB11,000,000; and (ii) lease the Leased Assets I and Leased Assets II back to the Lessee I for a term of 48 months with a respective total lease payment of RMB42,532,131 and RMB12,311,815, which shall include a respective finance lease principal of RMB38,000,000 and RMB11,000,000, and a respective finance lease interest income (inclusive of VAT) of RMB4,532,131 and RMB1,311,815.

Reference is made to the announcement dated June 29, 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 RMB24,000,000; and (ii) the Lessor shall lease the Leased Assets III back to the Lessee II for a term of 48 months with a total lease payment of RMB26,744,986, which shall include a finance lease principal of RMB24,000,000 and a finance lease interest income (inclusive of VAT) of RMB2,744,986.

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 deposits <i>RMB</i>	Total lease payment <i>RMB</i>	Net book value of Leased Assets <i>(Approx.) RMB</i>
Finance Lease Agreement I	January 12, 2023	January 11, 2027	38,000,000	4,532,131	2,660,000	42,532,131	42,657,759
Finance Lease Agreement II	February 9, 2023	February 8, 2027	11,000,000	1,311,815	770,000	12,311,815	14,990,005
Finance Lease Agreement III	June 29, 2023	June 28, 2027	24,000,000	2,744,986	1,680,000	26,744,986	24,269,623
Finance Lease Agreement IV	September 27, 2023	September 26, 2028	20,000,000	2,888,483	1,400,000	22,888,483	32,482,163
Total			<u>93,000,000</u>	<u>11,477,415</u>	<u>6,510,000</u>	<u>104,477,415</u>	<u>114,399,550</u>

THE FINANCE LEASE AGREEMENTS

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

Parties

Lessor: the Company

Lessee I: a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business.

Lessee II: a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business.

Lessee III: a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessee and its 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 equipment for cogeneration, with a net book value of approximately RMB42,657,759.

The Leased Assets II are equipment for cogeneration, with a net book value of approximately RMB14,990,005.

The Leased Assets III are equipment for cogeneration, with a net book value of approximately RMB24,269,623.

The Leased Assets IV are equipment for cogeneration, with a net book value of approximately RMB32,482,163.

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 Agreement will be funded by the Company's internal resources. If the Lessees have properly and fully performed all of its 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.

Lease Period

The lease period of the Finance Lease Agreement I is 48 months, which commenced on January 12, 2023.

The lease period of the Finance Lease Agreement II is 48 months, which commenced on February 9, 2023.

The lease period of the Finance Lease Agreement III is 48 months, which commenced on June 29, 2023.

The lease period of the Finance Lease Agreement IV is 60 months, which shall commence on September 27, 2023.

Lease Payment and Method of Payment

Under the Finance Lease Agreements, the respective total lease payment of RMB42,532,131, RMB12,311,815, RMB26,744,986 and RMB22,888,483, included the respective finance lease principal of RMB38,000,000, RMB11,000,000, RMB24,000,000 and RMB20,000,000, and the respective finance lease interest income (inclusive of VAT) of RMB4,532,131 (calculated based on the interest rate of 5.6% per annum), RMB1,311,815 (calculated based on the interest rate of 5.6% per annum), RMB2,744,986 (calculated based on the interest rate of 5.5% per annum) and RMB2,888,483 (calculated based on the interest rate of 5.5% per annum). The Lessees shall pay the lease payment to the Lessor at the end of 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 of the Leased Assets and prevailing market prices of the same category of finance lease products in the PRC.

Security Deposit

The Lessee agreed to pay the security deposit for the Finance Lease Agreement of RMB2,660,000 (bearing nil interests), RMB770,000 (bearing nil interests), RMB1,680,000 (bearing nil interests) and RMB1,400,000 (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 Lessee the remaining amount (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 Lessee shall provide joint and several liabilities guarantee for the debits under the Finance Lease Agreement;
- (2) The controlling shareholder of the Lessee shall provide joint and several liabilities guarantee for the debits under the Finance Lease Agreement;
- (3) 100% of the Lessees' equity interest will be pledged by their shareholders to the Lessor; and
- (4) the Lessees shall provide the project usufruct and the pledge of accounts receivable for specific projects.

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 limited liability company incorporated in the PRC, which is principally engaged in cogeneration business.

Lessee II is a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business.

Lessee III is a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business.

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 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 of the Agreements is less than 5%, while the highest applicable percentage ratio upon aggregation of the Agreements is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement IV 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 Agreement”	the Finance Lease Agreement I, the Finance Lease Agreement II, the Finance Lease Agreement III and the Finance Lease Agreement IV
“Finance Lease Agreement I”	the finance lease agreement entered into between the Lessor and Lessee on January 12, 2023
“Finance Lease Agreement II”	the finance lease agreement entered into between the Lessor and Lessee on February 9, 2023

“Finance Lease Agreement III”	the finance lease agreement entered into between the Lessor and Lessee on June 29, 2023
“Finance Lease Agreement IV”	the finance lease agreement entered into between the Lessor and Lessee on September 27, 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, Leased Assets III and the Leased Assets IV
“Leased Assets I”	equipment for cogeneration, with a net book value of approximately RMB42,657,759
“Leased Assets II”	equipment for cogeneration, with a net book value of approximately RMB14,990,005
“Leased Assets III”	equipment for cogeneration, with a net book value of approximately RMB24,269,623
“Leased Assets IV”	equipment for cogeneration, with a net book value of approximately RMB32,482,163
“Lessee”	the Lessee I, the Lessee II and the Lessee III
“Lessee I”	Ningde Kaineng Environmental Protection Energy Co., Ltd* (寧德開能環保能源有限公司), a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business. The ultimate beneficial owner of the company is SONG Jiyuan* (宋紀元)
“Lessee II”	Hengyang Guangrun Environmental Protection and Energy Conservation Technology Co., Ltd* (衡陽廣潤環保節能科技有限公司), a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business. The ultimate beneficial owner of the company is SONG Jiyuan* (宋紀元)
“Lessee III”	Ganzhou Guangrun Environmental Protection and Energy Conservation Co., Ltd* (贛州廣潤環保節能有限公司), a limited liability company incorporated in the PRC, which is principally engaged in cogeneration business. The ultimate beneficial owner of the company is SONG Jiyuan* (宋紀元)
“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, September 27, 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 and Ms. WANG Sujuan 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.*