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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 AGREEMENTS

The Board hereby announces that on December 19, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement III with the Lessee, pursuant to which, (i) the Lessor shall acquire the Leased Assets III owned by the Lessee at a transfer consideration of RMB20,000,000; and (ii) the Lessor shall lease the Leased Assets III back to the Lessee for a term of 36 months with a total lease payment of RMB22,203,704, which shall include a finance lease principal of RMB20,000,000 and a finance lease interest income (inclusive of VAT) of RMB2,203,704.

Within the past 12 months, on June 21, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement I with the Lessee, pursuant to which, among other things, the Company (as the Lessor) agreed to: (i) acquire the Leased Asset I owned by the Lessee at a transfer consideration of RMB7,500,000; and (ii) lease the Leased Asset I back to the Lessee for a term of 24 months with a total lease payment of RMB8,070,741, which included a finance lease principal of RMB7,500,000 and a finance lease interest income (inclusive of VAT) of RMB570,741. On June 27, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement II with the Lessee, pursuant to which, (i) the Lessor shall acquire the Leased Assets II owned by the Lessee at a transfer consideration of RMB30,000,000; and (ii) the Lessor shall lease the Leased Assets II back to the Lessee for a term of 36 months with a total lease payment of RMB33,270,139, which shall include a finance lease principal of RMB30,000,000 and a finance lease interest income (inclusive of VAT) of RMB3,270,139.

LISTING RULES IMPLICATIONS

As the transactions under the Financial 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 the Finance Lease Agreement III is less than 5%, while the highest applicable percentage ratio upon aggregation of the Financial 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 December 19, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement III with the Lessee, pursuant to which, (i) the Lessor shall acquire the Leased Assets III owned by the Lessee at a transfer consideration of RMB20,000,000; and (ii) the Lessor shall lease the Leased Assets III back to the Lessee for a term of 36 months with a total lease payment of RMB22,203,704, which shall include a finance lease principal of RMB20,000,000 and a finance lease interest income (inclusive of VAT) of RMB2,203,704.

Within the past 12 months, on June 21, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement I with the Lessee, pursuant to which, among other things, the Company (as Lessor) agreed to: (i) acquire the Leased Asset I owned by the Lessee at a transfer consideration of RMB7,500,000; and (ii) lease the Leased Assets I back to the Lessee for a term of 24 months with a total lease payment of RMB8,070,741, which included a finance lease principal of RMB7,500,000 and a finance lease interest income (inclusive of VAT) of RMB570,741. On June 27, 2023, the Company (as the Lessor) entered into the Finance Lease Agreement II with the Lessee, pursuant to which, (i) the Lessor shall acquire the Leased Assets II owned by the Lessee at a transfer consideration of RMB30,000,000; and (ii) the Lessor shall lease the Leased Assets II back to the Lessee for a term of 36 months with a total lease payment of RMB33,270,139, which shall include a finance lease principal of RMB30,000,000 and a finance lease interest income (inclusive of VAT) of RMB3,270,139.

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.)</i> <i>RMB</i>
Finance Lease Agreement I	June 21, 2023	June 20, 2025	7,500,000	570,741	600,000	8,070,741	8,580,000
Finance Lease Agreement II	June 27, 2023	June 26, 2026	30,000,000	3,270,139	2,400,000	33,270,139	30,659,769.94
Finance Lease Agreement III	December 19, 2023	December 18, 2026	20,000,000	2,203,704	1,600,000	22,203,704	20,443,171.55
Total			<u>57,500,000</u>	<u>6,044,584</u>	<u>4,600,000</u>	<u>63,544,584</u>	<u>59,682,941.49</u>

THE FINANCE LEASE AGREEMENTS

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

Parties

Lessor: the Company

Lessee: a limited company incorporated in the PRC, which is principally engaged in energy conservation and emission reduction business.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessee 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 Asset I is a patented technology for utilizing slag waste heat and serving energy conservation and emission reduction related businesses, with a net book value of approximately RMB8,580,000.

The Leased Assets II are energy management related equipment, with a net book value of approximately RMB30,659,769.94.

The Leased Assets III are high-pressure roller mills, with a net book value of approximately RMB20,443,171.55.

The Lessee does 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 Lessee has properly and fully performed all of its obligations under the Finance Lease Agreements, the Lessee is 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 June 21, 2023.

The lease period of the Finance Lease Agreement II is 36 months, which commenced on June 27, 2023.

The lease period of the Finance Lease Agreement III is 36 months, which shall commence on December 19, 2023.

Lease Payment and Method of Payment

Under the Finance Lease Agreements, the respective total lease payment of RMB8,070,741, RMB33,270,139 and RMB22,203,704, included the respective finance lease principal of RMB7,500,000, RMB30,000,000 and RMB20,000,000, and the respective finance lease interest income (inclusive of VAT) of RMB570,741 (calculated based on the interest rate of 6.8% per annum), RMB3,270,139 (calculated based on the interest rate of 6.8% per annum) and RMB2,203,704 (calculated based on the interest rate of 6.8% per annum). The Lessee shall pay the lease payment to the Lessor at the end of each quarter 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 Lessee 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 Agreements of RMB600,000 (bearing nil interests), RMB2,400,000 (bearing nil interests) and RMB1,600,000 (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:

The ultimate beneficial owner and one of his associates of the Lessee shall provide joint and several liabilities guarantee for the debts of Lessee under the Finance Lease Agreements.

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: a limited company incorporated in the PRC, which is principally engaged in energy conservation and emission reduction business.

LISTING RULES IMPLICATIONS

As the transactions under the Financial 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 the Finance Lease Agreement III is less than 5%, while the highest applicable percentage ratio upon aggregation of the Financial 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 on June 21, 2023
“Finance Lease Agreement II”	the finance lease agreement entered into between the Lessor and Lessee on June 27, 2023
“Finance Lease Agreement III”	the finance lease agreement entered into between the Lessor and Lessee on December 19, 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 Asset I, the Leased Assets II and the Leased Assets III
“Leased Asset I”	a patented technology for utilizing slag waste heat and serving energy conservation and emission reduction related businesses, with a net book value of approximately RMB8,580,000
“Leased Assets II”	energy management related equipment, with a net book value of approximately RMB30,659,769.94
“Leased Assets III”	high-pressure roller mills, with a net book value of approximately RMB20,443,171.55
“Lessee”	Zhengzhou Wote Energy Conservation Technology Co., Ltd.* (鄭州沃特節能科技股份有限公司), a limited company incorporated in the PRC, which is principally engaged in energy conservation and emission reduction business. The ultimate beneficial owner of the Lessee is LI Xun* (李勳)
“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, December 19, 2023

As at the date of this announcement, the Board comprises Mr. HE Rongfeng and Mr. HUANG Wen as executive Directors, Mr. ZHANG Shuqing 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.*