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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 22, 2023, the Company, as the Lessor, entered into a Financial Lease Agreement I and a Financial Lease Agreement II with the Lessee, pursuant to which (i) the Lessor shall acquire the Leased Assets I and the Leased Assets II owned by the Lessee at a transfer consideration of RMB50,013,799.70 and RMB50,324,142.43 respectively; and (ii) the Lessor leases the Leased Asset I and the Leased Asset II back to the Lessee for a period of 24 months, each with a total lease payment of RMB54,325,916, including the principal amount of the finance lease of RMB50,000,000 and interest income (including VAT) of the finance lease of RMB4,325,916.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio upon aggregation of the Finance Lease Agreement I and the Finance Lease Agreement II is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement I and the Finance Lease Agreement II, when aggregated as a whole, constitute 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 22, 2023, the Company, as the Lessor, entered into a Financial Lease Agreement I and a Financial Lease Agreement II with the Lessee, pursuant to which (i) the Lessor shall acquire the Leased Assets I and the Leased Assets II owned by the Lessee at a transfer consideration of RMB50,013,799.70 and RMB50,324,142.43 respectively; and (ii) the Lessor leases the Leased Asset I and the Leased Asset II back to the Lessee for a period of 24 months, each with a total lease payment of RMB54,325,916, including the principal amount of the finance lease of RMB50,000,000 and interest income (including VAT) of the finance lease of RMB4,325,916.

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	December 22, 2023	December 21, 2025	50,000,000	4,325,916	2,500,000	54,325,916	50,013,799.70
Finance Lease Agreement II	December 22, 2023	December 21, 2025	50,000,000	4,325,916	2,500,000	54,325,916	50,324,142.43
Total			<u>100,000,000</u>	<u>8,651,832</u>	<u>5,000,000</u>	<u>108,651,832</u>	<u>100,337,942.13</u>

THE FINANCE LEASE AGREEMENTS

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

Parties

Lessor: the Company

Lessee: a limited liability company incorporated in the PRC, which is principally engaged in the orthopedic consumables sales 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 related production equipment under orthopedic clinical business, with a net book value of approximately RMB50,013,799.70.

The Leased Assets II are related production equipment under the orthopedic implant business, with a net book value of approximately RMB50,324,142.43.

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 and the Finance Lease Agreement II are both 24 months, which shall commence on December 22, 2023.

Lease Payment and Method of Payment

Under the Finance Lease Agreement I and the Finance Lease Agreement II, the total lease payment of each Finance Lease Agreement is RMB54,325,916, included the finance lease principal of RMB50,000,000 and the finance lease interest income (inclusive of VAT) of RMB4,325,916 (calculated based on the interest rate of 7.6% 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 Agreement I and the Finance Lease Agreement II of both of RMB2,500,000 (bearing nil interests). When the last lease payment is 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 debts of Lessee under the Finance Lease Agreements;
- (2) The controlling shareholder of the Lessee shall provide joint and several liabilities guarantee for the debts of Lessee under the Finance Lease Agreements;
- (3) An connected company controlled by the same ultimate beneficial owner of the Lessee provides equity pledge security for the Lessee's debt 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 were 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 is a limited liability company incorporated in the PRC, which is principally engaged in the orthopedic consumables sales business.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under the Finance Lease Agreement I and the Finance Lease Agreement II on its own is less than 5%, while the highest applicable percentage ratio upon aggregation of the Finance Lease Agreement I and the Finance Lease Agreement II is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement I and the Finance Lease Agreement II, when aggregated as a whole, constitute 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”	Finance Lease Agreement I and Finance Lease Agreement II
“Finance Lease Agreement I”	the Finance Lease Agreement entered into between the Lessor and Lessee on December 22, 2023, the leased assets of which are related production equipment under the Orthopaedic clinical business
“Finance Lease Agreement II”	the Finance Lease Agreement entered into between the Lessor and Lessee on December 22, 2023, the leased assets of which are related production equipment under the Orthopaedic implant business

“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”	Leased Assets I and Leased Assets II
“Leased Assets I”	production equipment under orthopedic clinical business, with a net book value of approximately RMB50,013,799.70
“Leased Assets II”	production equipment under the orthopedic implant business, with a net book value of approximately RMB50,324,142.43
“Lessee”	Beijing Weilian Orthopedic Technology Co., Ltd * (北京威聯德骨科技術有限公司), a limited liability company incorporated in the PRC, which is principally engaged in the orthopedic consumables sales business. The ultimate beneficial owner of the Lessee is Zhao Yiwu * (趙毅武)
“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 22, 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.