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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 TRANSACTIONS**

FINANCE LEASE AGREEMENTS

The board hereby announces that on March 4, 2024, the Company (as the Lessor) entered into a total of 1 Financing Lease Agreement (“**One Finance Lease Agreement**”) with Mofang (Guangzhou) Apartment Management Co., Ltd, pursuant to which, (i) the Lessor shall acquire a patented technology owned by one of the Lessees (Mofang (Guangzhou) Apartment Management Co., Ltd) at a transfer consideration of RMB20,000,000; and (ii) the Lessor shall lease the patented technology back to one of the Lessees (Mofang (Guangzhou) Apartment Management Co., Ltd) for the term of 24 months with a total lease payment of RMB22,090,783 which shall include the finance lease principle of RMB20,000,000 and the finance lease interest income (inclusive of VAT) of RMB2,090,783.

Reference is made to the announcement of the Company dated August 29, 2023 in relation to 7 Financing Lease Agreements (“**Seven Finance Lease Agreements**”), pursuant to which, among other things, the Company (as the Lessor) agreed to: (i) acquire the electronic appliances and other equipment owned by each of the Lessees respectively at the aggregate transfer consideration of RMB49,000,000; and (ii) lease the electronic appliances and equipment back to each of the Lessees for a term of 24 months with the aggregate total lease payment of RMB53,244,712 which included the aggregate finance lease principal of RMB49,000,000 and the aggregate finance lease interest income (inclusive of VAT) of RMB4,244,712.

LISTING RULES IMPLICATIONS

As the Lessees are under the common control of the same holding company, the Lessees are parties connected with one another (as set out under Rule 14.23 of the Listing Rules). 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 each of the Finance Lease Agreements 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 VIII 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 March 4, 2024, the Company (as the Lessor) entered into a total of 1 Financing Lease Agreement (“**One Finance Lease Agreement**”) with Mofang (Guangzhou) Apartment Management Co., Ltd, pursuant to which, (i) the Lessor shall acquire a patented technology owned by one of the Lessees (Mofang (Guangzhou) Apartment Management Co., Ltd) at a transfer consideration of RMB20,000,000; and (ii) the Lessor shall lease the patented technology back to one of the Lessees (Mofang (Guangzhou) Apartment Management Co., Ltd) for the term of 24 months with a total lease payment of RMB22,090,783 which shall include the finance lease principle of RMB20,000,000 and the finance lease interest income (inclusive of VAT) of RMB2,090,783.

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

Finance Lease Agreement	The Lessees	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	Mofang (Shanghai) Apartment Management Co., Ltd	August 29, 2023	August 28, 2025	14,000,000	1,212,773.00	700,000	15,212,773.00	14,008,654.01
Finance Lease Agreement II	Mofang (Guangzhou) Apartment Management Co., Ltd	August 29, 2023	August 28, 2025	2,470,000	213,967.00	123,500	2,683,967.00	2,471,439.42
Finance Lease Agreement III	Mofang Yiju (Hangzhou) Enterprise Management Co., Ltd	August 29, 2023	August 28, 2025	4,100,000	355,171.00	205,000	4,455,171.00	4,138,186.25
Finance Lease Agreement IV	Mofang Yiju (Hangzhou) Enterprise Management Co., Ltd. Yangliubao Branch	August 29, 2023	August 28, 2025	730,000	63,238.00	36,500	793,238.00	1,342,120.21
Finance Lease Agreement V	City Cube (Beijing) Property Management Co., Ltd	August 29, 2023	August 28, 2025	9,400,000	814,291.00	470,000	10,214,291.00	9,403,758.13
Finance Lease Agreement VI	City Cube (Beijing) Apartment Management Co., Ltd	August 29, 2023	August 28, 2025	500,000	43,316.00	25,000	543,316.00	766,038.61
Finance Lease Agreement VII	Beijing Mofang Jiu Yaosha River Housing Leasing Co., Ltd	August 29, 2023	August 28, 2025	17,800,000	1,541,956.00	890,000	19,341,956.00	17,829,491.02
Finance Lease Agreement VIII	Mofang (Guangzhou) Apartment Management Co., Ltd	March 4, 2024	March 3, 2026	20,000,000	2,090,783.00	1,000,000	22,090,783.00	20,450,000.00
Total				<u>69,000,000</u>	<u>6,335,495.00</u>	<u>3,450,000</u>	<u>75,335,495.00</u>	<u>70,409,687.65</u>

THE FINANCE LEASE AGREEMENTS

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

Parties

Lessor: the Company

Lessees: The Lessees are limited liability companies incorporated in China, which are mainly engaged in housing leasing services. The names of the Lessees under each Finance Lease Agreements is inferred in the table under the section of “BACKGROUND”.

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 are electronic appliances and other equipment and a patented technology. The net book value of the Leased Assets under each of the Finance Lease Agreements is inferred in the table under the section of “BACKGROUND”.

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 to the Finance Lease Agreement VII is 24 months, which commenced on August 29, 2023.

The lease period of the Finance Lease Agreement VIII is 24 months, which shall commence on March 4, 2024.

Lease Payment and Method of Payment

The total lease payment, the finance lease principal and the finance lease interest income (inclusive of VAT) under each of the Finance Lease Agreements is referred in the table under the section of “BACKGROUND”. The finance lease interest income under each of the Finance Lease Agreement I, the Finance Lease Agreement II, the Finance Lease Agreement III, the Finance Lease Agreement IV, the Finance Lease Agreement V, the Finance Lease Agreement VI and the Finance Lease Agreement VII is calculated based on the interest rate of 7.7% per annual. The finance lease interest income under the Finance Lease Agreement VIII is calculated based on the interest rate of 8.8% per annual. The Lessees 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 security deposit (bearing nil interests) for each of the Finance Lease Agreements is referred in the table under the section of “BACKGROUND”. 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:

The controlling shareholder of the Lessees shall provide joint and several liabilities guarantee for the debts of Lessees under the Finance Lease Agreements.

The Lessees’ four affiliated company controlled by the same ultimate controlling shareholder shall provide asset collateral for the debts of Lessee under the Finance Lease Agreement VIII.

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 Lessees

The Lessees, as referred in the table under the section of “BACKGROUND”, are limited liability companies incorporated in the PRC, which are principally engaged in housing leasing services.

LISTING RULES IMPLICATIONS

As the Lessees are under the common control of the same holding company, the Lessees are parties connected with one another (as set out under Rule 14.23 of the Listing Rules). 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 each of the Finance Lease Agreements 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 VIII 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
“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”	electronic appliances and other equipment and a patented technology, the net book value of the Leased Assets is referred in the table under the section of “BACKGROUND”

“Lessees”

A total of 7 companies under Mofang (China) Investment Co., Ltd., the ultimate beneficial owner is Warburg Pincus Investment Group (“**Warburg Pincus Capital**”). The names of the Lessees under each financial lease agreements are shown in the table under the “BACKGROUND” section. As at the date of this announcement, the Lessees are indirectly and non-wholly-owned by Magic Life Group Co., Ltd. through Mofang (China) Investment Co., Ltd., which holds 79.5653% of Mofang (China) Investment Co., Ltd. After multiple rounds of financing, Mofang Service Group Limited is currently 52% controlled by Warburg Pincus Investment through its holding investment funds, namely Peridot Gem Investment (British Virgin Islands) (“**Peridot Gem Investment**”), Mordenite Gem (Cayman Islands) (“**Mordenite Gem**”), and Peridot Gem Group (Cayman Islands) (“**Peridot Gem Group**”). Peridot Gem Investment holds 42.56% of the shares of Mofang Service Group Limited, Mordenite Gem holds 5.6% of the shares of Mofang Service Group Limited, and Peridot Gem Group holds 3.84% of the shares of Mofang Service Group Limited. Mofang Service Group Limited is currently 48% controlled by other shareholders, of which a private limited company incorporated in the Republic of Singapore controls 16.93% of Mofang Service Group Limited. The other shareholders include corporate investors and offshore investment vehicles wholly owned by individual investors, with shareholding ranging from 0.05% to 12.59% of Mofang Service Group Limited. According to the data obtained by the Company, Peridot Gem Investment is 60.47% owned by Warburg Pincus Private Equity XI, L.P. (“**WP XI**”). The general partner of WP XI is Warburg Pincus XI, L.P. (“**WP XI GP**”) and the general partner of WP XI GP is WP Global LLC (“**WP Global**”). The managing members of WP Global are Warburg Pincus Partners II, L.P. (“**WPP II**”). The general partner of WPP II is Warburg Pincus Partners GP LLC (“**WPP GP LLC**”). The managing members of WPP GP LLC is Warburg Pincus & Co. Based on the data obtained by the Company, WP XI GP is the general partner of a limited partnership that jointly controls approximately 42.37% of the shares of Mordenite Gem. Mordenite Gem is 45.45% owned by Mordenite Gem Investors, L.P. The general partner of Mordenite Gem Investors, L.P. is Mordenite Gem GP Ltd., which is wholly owned by Warburg Pincus Co-Investment GP (Cayman) Ltd. (“**WP Co-Investment**”), which in turn is wholly owned by Warburg Pincus Partners II (Cayman), L.P. (“**WPP II Cayman**”). The general partner of WPP II Cayman is Warburg Pincus (Bermuda) Private Equity GP Ltd. (“**WP Bermuda GP**”). Based on the information obtained by the Company, Peridot Gem Group is wholly owned by Peridot Gem Co-Invest, L.P. The general partner of Peridot Gem Co-Invest, L.P. is WP Co-Investment, which is wholly owned by WPP II Cayman. The general partner of WPP II Cayman is WP Bermuda GP. The ultimate beneficial owner of the Lessees, Warburg Pincus Investment Group (“**Warburg Pincus**”), is a private equity firm headquartered in New York. Warburg Pincus has a wide investor base and has more than US\$83 billion in assets under management. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of the Announcement, the chairman of Warburg Pincus is Mr. Timothy Geithner and its chief executive officer is Mr. Chip Kaye.

“Lessor”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“One Finance Lease Agreement”	One Finance Lease Agreement entered into between the Lessor and Mofang (Guangzhou) Apartment Management Co., Ltd on March 4, 2024, which is Finance Lease Agreement VIII as referred in the table under the section of “BACKGROUND”
“Patented technology”	one patented technology for providing apartment rental services for tenants, with an assessed value of approximately RMB20,450,000
“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
“Seven Finance Lease Agreements”	a total of 7 Finance Lease Agreements entered into between the Lessor and 7 Lessees under Mofang (China) Investment Co., Ltd on August 29, 2023, which are from Finance Lease Agreement I to Finance Lease Agreement VII as referred in the table under the section of “BACKGROUND”
“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, March 4, 2024

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*